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United States
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2000 Annual Program Performance Report



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2000 ANNUAL PROGRAM PERFORMANCE REPORT

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UNITED STATES DEPARTMENT OF AGRICULTURE
FISCAL YEAR 2000 ANNUAL PROGRAM PERFORMANCE REPORT

INTRODUCTION

In the Federal government, performance management is comprised of three critical elements: (1) a strategic plan that guides the 5-year goals and strategies of each Department; (2) annual performance plans that lay out year-to-year strategies and targets that make progress toward the Department's long-term goals; and (3) annual performance reports that relay to Congress and the American people how good a job the Department did in reaching the goals it set out to accomplish in the previous fiscal year.

This annual performance report for FY 2000 is submitted in accordance with the Government Performance and Results Act (GPRA). It compares actual performance with the performance goals the Department set in FY 2000 on an agency-by-agency basis. In accordance with GPRA, this report is aligned with the Department's previous strategic plan, covering FY 1997-2002.

USDA currently is in the process of revamping its performance planning and reporting processes. In the future, the Department will take a more corporate approach to planning and reporting under GPRA—presenting to the public, the President, and Congress an integrated set of goals for the Department. These broad-view documents will be supplemented by agency-level plans and reports that offer more detail on specific efforts. Future performance plans and reports will be tied to the Department's current strategic plan and its new approach to performance management. This new process should provide a clearer picture of the Department's performance.

FY 2000 Annual Performance Report

This annual performance report is comprised of agency-level accounts of how each arm of USDA is making tangible progress toward its strategic objectives. Each agency report offers the same information to readers: the agency's mission statement, a summary of both its long-term strategic objectives and its specific FY 2000 performance goals. The report also compares actual performance with the goals set for FY 2000. Where performance goals are not achieved, an explanation is provided, as well as strategies and revised timelines for reaching these goals, where feasible. Actual performance data is presented for both FY 1999 and FY 2000 to show performance trends and each agency report then evaluates current FY 2001 performance goals in light of these trends.

Looking Ahead

This report shows that while progress has been made, significant challenges exist in administering national programs of the size, scope, and magnitude of food stamps, the national forest system, food inspections, and farm and rural credit programs. The scale and complexity of these vast Federal programs present major management challenges to USDA, particularly in terms of the availability of accurate, credible, and timely performance data; competing and sometimes conflicting government programs and priorities; and, reliance on third parties to deliver key components of USDA programs.

Through the performance management process, the Department has learned a great deal about how it can improve its operations and address these challenges. The Bush Administration has made clear that improved performance and management of the Federal government will be a key priority in the years to come. USDA managers understand that performance results must continue to improve if the Department is to successfully address the needs of its diverse and growing customer base, achieve its strategic goals for the future, and successfully meet the challenges of a lean Federal workforce.

FARM SERVICE AGENCY

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The Farm Service Agency (FSA) was established October 13, 1994, pursuant to the Department of Agriculture Reorganization Act of 1994, P.L. 103-354. FSA's mission is to ensure the well-being of American agriculture and the American public through efficient and equitable administration of farm commodity, farm loan, conservation, environmental, emergency assistance, and domestic and international food assistance programs.

The following programs are included in this Annual Program Performance Report: Production Flexibility Contracts, Marketing Assistance Loans and Loan Deficiency Payments, Tobacco and Peanut Price Support and Production Control Programs, Noninsured Crop Disaster Assistance Program, USDA Certified State Mediation Program, Conservation Reserve Program, Emergency Conservation Program, Hazardous Waste Management Program, Farm Loan Programs, Commodity Warehouse Activities, and Commodity Procurement Activities. More information regarding FSA programs can be found in the FSA Strategic and Annual Performance Plans.

Only federal employees were involved in the preparation of this report.

The following table summarizes FSA's achievement of FY 2000 annual performance goals.

FSA PERFORMANCE SUMMARY				
Strategic Goals/ Management Initiatives	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
Goal 1: Provide an economic safety net through farm income support to eligible producers, cooperatives, and associations to help improve the economic stability and viability of the agricultural sector and to ensure the production of an adequate and reasonably priced supply of food and fiber.	Maintain at least a 95% production flexibility contract participation rate for eligible acreage, including acreage released from CRP. (Baseline: 98% - FY 1996)	98.8%	98%	98.8%
	Issue loans or LDPs on all eligible production (except sugar). (Baseline: 15% - FY 1997; *wheat, corn, barley, oats, grain sorghum, and soybeans, **upland cotton)	80%* 98%**	85%	77%* 88%**
	Maintain the economic viability of tobacco and peanut programs, and producers, by establishing producer/purchaser assessments and stabilizing tobacco and peanut prices. Average tobacco and peanut assessment (Baselines: Marketing year 1996 - Tobacco: .02 dollars per pound; quota peanuts (QP) .0035 dollars per pound; non-quota peanuts (NQP) .0004 dollars per pound)	Tobacco \$.038/lb. Quota Peanuts \$.00366/lb. Non Quota Peanuts \$.0011/lb.	Tobacco \$.08/lb. Quota Peanuts \$.00366/lb. Non Quota Peanuts \$.0011/lb.	Tobacco \$.054/lb Quota Peanuts \$.00366/lb Non Quota Peanut \$.0011/lb
	Average price per pound of tobacco and ton of peanuts (Baselines: Marketing year 1996 - Tobacco: \$1.87 per pound; \$610 per ton for QP; \$132 per ton for NQP)	Tobacco \$1.81/lb. Quota Peanuts \$610.00/ton Non Quota Peanuts \$175.00/ton	Tobacco \$1.70/lb. Quota Peanuts \$610.00/ton Non Quota Peanuts \$175.00/ton	Tobacco \$1.83/lb Quota Peanuts \$610.00/ton Non Quota Peanuts \$132.00/ton
	Improve NAP area and crop eligibility determinations by decreasing the time to designate NAP areas and determining producer eligibility. (days) (Baseline: NAP area designation - 90 days FY 1996)	35 days	35 days	20 days

FSA PERFORMANCE SUMMARY				
Strategic Goals/ Management Initiatives	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
Goal 2: Assist agricultural producers and landowners in achieving a high level of stewardship of soil, water, air, and wildlife resources on America's farms and ranches while protecting the human and natural environment.	Reduce soil erosion, protect water and air quality, restore wetlands and improve wildlife habitat by establishing conservation cover and/or installing priority practices on enrolled CRP acreage. Number of acres enrolled per fiscal year (Cumulative)	31.5 million	32.8 million	31.5 million
	Regular (competitive) enrollment acres	29.4 million	30.9 million	30.3 million
	Continuous (including CREP) enrollment acres	1.6 million	1.4 million	1.2 million
	States with approved CREP agreements	8	15	12
	Acres of high environmental sensitivity enrolled in CREP	1.0 million	.25 million	.12 million
	Acres established in conservation buffers (including filter strips and riparian buffers)	1.0 million	1.4 million	1.2 million
	Acres of highly erodible land (HEL) retired	22.6 million	24.0 million	23.7 million
	Acres of HEL that would erode above "T" when farmed with conservation plan (Environmental Index ≥ 15)	10.0 million	10.7 million	10.4 million
	Acres enrolled in the Prairie Pothole, Chesapeake Bay, Great Lakes, and Long Island Sound national conservation priority areas	6.9 million	7.2 million	7.2 million
	Acres in trees or other non-crop vegetative or water cover that provides permanent wildlife habitat	4.0 million	4.6 million	5.3 million
	Acres planted with vegetative covers determined best suited for wildlife	12.5 million	17.1 million	16.7 million
	Restored acres of wetlands	1.4 million	1.6 million	1.5 million
	Acres planted with trees	1.9 million	2.0 million	2.1 million
	Established acres of restored rare and declining wildlife habitat	55 thousand	274 thousand	249 thousand
	Rehabilitate damaged acreage to agricultural production under ECP. (#) (Baseline: 1996-1.4 million acres)	4.9 million	5.3 million	7.6 million
	Improve the timeliness and cost-effectiveness of site remediation initiatives for CCC hazardous waste activities. (Baselines: 1996-Site investigation costs-\$900,000 per site, 12 months to perform site investigations) Site investigation costs (\$)	\$600,000	\$675,000	\$675,000
	Average amount of time to perform site investigations (months)	10	10.5	10.5
	Continue to protect public health by providing communities safe drinking water. (Baseline: 1996-3 remediation projects completed). Communities provided safe drinking water through remediation efforts	8	3	4

FSA PERFORMANCE SUMMARY

Strategic Goals/ Management Initiatives	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
Goal 3: Assist eligible individuals and families in becoming successful farmers and ranchers.	Reduce direct loan delinquencies 29%. (%) (Baseline: 20.3% - FY 1996)	14.2%	15.8%	12.4%
	Reduce first-year delinquency rate on new loans by 35% and restructured loans by 30%. (Baseline: 11% and 16.4%, respectively, FY 1996)			
	First-year delinquency rates on new direct loans (%)	7.2%	7.0%	7.3 %
	First year delinquency rates on restructured direct loans (%)	11.9%	10.0%	10.2%
	Increase the percentage of guaranteed loans made to direct borrowers by 8%. (%) (Baseline: 32.5% - FY 1996)	33.3%	35.3%	33.3%
	Reduce losses on direct loans by 27%. (%) (Baseline: 8% - FY 1996)	3.5%	6.5%	4.2%
	Maintain the guaranteed loan loss rate at or below 2.0%. (%) (Baseline: .82% - FY 1997)	.93%	1.9%	.79%
	Reduce direct and guaranteed loan processing times by 20%. (Baseline: 23 days direct; 14 days guaranteed - FY 1996)			
	Direct loan processing times (# days)	17 days	15 days	16 days
	Guaranteed loan average processing times (#days)	8 days	8 days	7 days
	Increase the number of loans to beginning and socially disadvantaged farmers/ranchers by 100%. (%)	11.9%	13.9%	10.9%
Goal 4: Improve the effectiveness and efficiency of FSA's commodity acquisition, procurement, storage, and distribution activities to support domestic and international food assistance programs, and administer the U.S. Warehouse Act (USWA).	Reduce CCC's current contribution level associated with USWA examination operations to 40% of the total costs. (Baseline: 64% - FY 1996)			
	Reduce CCC's costs associated with USWA examination operations to 40% of the total costs. (Baseline: 65% - FY 1996)	45%	45%	45%
	Maintain the percentage of on-time deliveries and shipments for commodities purchased (%) (Baseline: 80%-FY 1996)	96%	95%	97%
MI 1: Provide fair and equal treatment in employment and the delivery of FSA programs.	Increase the number of program and employee complaints processed on time.			
	Average number days spent processing program complaints compared to departmental guidelines (#) (Baseline: 54 days FY 1998)	58	24	23.8
	Maintain the percentage of employment complaints resolved at the informal level (%) (Baseline: 50%-FY 1998)	50%	55%	57.3%
	Complete ten EEO/Civil Rights Management Reviews of State Offices /Service Centers and take appropriate corrective actions timely.			
	Final EEO/CR Management Review reports submitted within 45 days of completing the on-site review (%) (Baseline: 50%-FY 1998)	100%	90%	100%
	Corrective actions taken within scheduled timeframes for noncompliances (%) (Baseline - 20%-FY 1998)	100%	95%	90%

FSA PERFORMANCE SUMMARY				
Strategic Goals/ Management Initiatives	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
	<p>Improve workforce diversity by increasing the representation of women, minorities, and persons with targeted disabilities.</p> <p>Representation of Hispanics and Asian Pacific employees in the workforce (%)</p> <p>Representation of persons with targeted disabilities in the Agency (%) (Baseline: 1.49% - FY 1998)</p>	<p>Not Available</p> <p>1.46%</p>	<p>Not Available</p> <p>1.37%</p>	<p>Hispanics 3.1%; Asian Pacific .9% 1.33%</p>
MI 2: Enhance the ability of small, limited-resource, and socially disadvantaged (SDA) family farmers/ranchers to operate successfully.	<p>Increase the number of small, limited-resource, and socially disadvantaged family farmers and ranchers elected to County Office Committee positions. (%) (Baseline: FY 1996 - 7.51%)</p> <p>Under served family farmers and ranchers elected to County Office Committee positions. (%)</p>	<p>13.87%</p>	<p>15%</p>	<p>11.72%</p>
M1 3: Improve Financial Management and Reporting	<p>Establish electronic funds transfer for all eligible Service Center initiated program and vendor payments.</p> <p>Service Center initiated payments made by electronic funds transfer compared to total number of payments made (%)</p> <p>Vendor Payments</p> <p>Producer Payments</p>	<p>75% (Combined)</p>	<p>85% 70%</p>	<p>53.1% 77.1%</p>
	<p>Participate in Treasury Offset Program and Cross-Servicing Program under the Debt Collection Improvement Act of 1996</p> <p>Eligible Debts referred to Treasury Offset Program (%)</p> <p>Eligible Debts referred to Treasury for Cross-Servicing (%)</p>	<p>90%</p> <p>86%</p>	<p>100%</p> <p>100%</p>	<p>100%</p> <p>100%</p>
	Obtain an unqualified audit opinion on CCC's Financial Statements. (Yes/No)	No	Yes	Not Available
	FSA/CCC general ledger systems that meet U.S. Standard General Ledger requirements (%)	60%	80%	80%
	Support the Chief Financial Officer's mandate to implement FFIS	Not Applicable	0	0
	<p>Implement Financial Reporting Data Warehouse tool to meet the FSA/CCC</p> <p>Financial reporting requirements:</p> <p>CORE - FSA Data</p> <p>CORE - CCC Data</p> <p>FFIS - FSA Data</p> <p>Payment Management Data</p> <p>Debt Management Data</p>	<p>Not Applicable</p>	<p>100%</p> <p>100%</p> <p>0%</p> <p>0%</p> <p>100%</p>	<p>100%</p> <p>0%</p> <p>0%</p> <p>0%</p> <p>100%</p>

FSA PERFORMANCE SUMMARY				
Strategic Goals/ Management Initiatives	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
MI 4: Achieve greater cost and operating efficiencies in the delivery of FFAS programs by implementing integrated administrative management systems and reinventing/ reengineering FFAS business processes and systems.	Install USDA's Purchase Card Management System. Cost/transaction for simplified acquisitions under \$100,000 using credit cards (\$)	\$22.80	\$17	\$19.74
	Meet Small Business goals under the Procurement Preference Plan for the distribution of contract dollars to various classes of contractors (%)			
	8(a) Companies (Baseline - FY 99: 8%)	8%	23%	5.23%
	Small Disadvantaged Business (0.263%)	.263%	9%	19.78%
	Small Business (inclusive) (42%)	42%	42%	37.27%
	Women-Owned Businesses (5%)	5%	8%	2.42%
	JWOD (Blind and Handicapped) (NA)	Not Available	2%	0.934%
	Provide electronic forms via Internet Based System to all FSA employees and external customers (%) (Baseline: Approximately 3% of FSA forms are available via the Internet in FY 1999)	3%	50%	Customer Forms: 50% Employee Forms: 5.2%
	Ensure there is no disruption of service in the year 2000 because of invalid date computations for FSA mission critical information technology systems. (Baseline: Information technology systems renovated, FY 1997 - 20%; Systems downtime, NITC FY 1998 - 1%)			
	System downtime caused by interface failures between mainframe COTS software and application software does not exceed baseline downtime averages	0%	1%	0%
MI 5: Expand the USDA Certified State Mediation Program to more efficiently and effectively resolve program disputes.	Expand the Certified State Mediation Program. Authorized USDA agencies utilizing the USDA Certified State Mediation Program (#) (Baseline: 2 - FY 1997)	4	5	5
	States with certified mediation programs that meet the needs of participating USDA agencies (#) (Baseline: 24 - FY 1997)	24	24	25
	Increase the level of agreements reached through mediation by 2.63% over the baseline year. (Baseline: 76% - FY 1998)			
	Cases resolved with agreements through State Mediation Programs (%)	70%	70%	72%
	Reduce the average administrative costs per case of State programs by 4.1%. (Baseline: \$662 - FY 1998)			
	Administrative cost per case mediated by State programs (\$)	\$504	\$658	\$641

Goal 1: Provide an economic safety net through farm income support to eligible producers, cooperatives, and associations to help improve the economic stability and viability of the agricultural sector and to ensure the production of an adequate and reasonably priced supply of food and fiber.

Objective 1.1 Maintain a high Production Flexibility Contract participation rate for eligible acreage.

Key Performance Goal

Maintain at least a 95% production flexibility contract participation rate for eligible acreage, including acreage released from CRP. (%) (Baseline: 98% - FY 1996)

Target: 98%

Actual: 98.8%

2000 Data: The 2000 Contract Enrollment Data Report (PF-2R) shows that 98.8 percent of potential Production Flexibility Contract acreage is enrolled in a Production Flexibility Contract. The report is generated from data residing on the FSA mainframe computer at the Kansas City Information Technology Services Development Office (KCITSDO), which was uploaded by FSA Service Centers. The data used in the report is pulled from the relevant automated files residing in the Service Center automated system. The report reflects the actual information in Service Centers.

Analysis of Results: The target was achieved by ensuring that participants were adequately informed of requirements for program compliance and potential participants were adequately informed of opportunities to participate. A high enrollment level is important in providing stability and reducing risk for agricultural producers. If a participant complies with the terms and conditions of the Production Flexibility Contract, the payment amounts are predictable and can be used in predicting cash flow.

At the direction of Congress, Production Flexibility Contracts were also used as a means to determine eligibility for an amount of additional payments authorized by the Agricultural Risk Protection Act of 2000. These Market Loss Assistance payments were distributed using the FY 2000 Production Flexibility Contracts as the payment mechanism because Congress recognized it was an effective and efficient way to provide additional assistance to the agricultural community.

For FY 2000, 1,249,787 participants received \$5,457,679,857 in Production Flexibility Contract payments and \$5,063,965,178 in Market Loss Assistance payments based on the FY 2000 Production Flexibility Contracts.

Current Fiscal Year Performance: It is anticipated that FSA will maintain a high participation rate and achieve the FY 2001 target.

Program Evaluations: According to the General Accounting Office (GAO) report RCED-98-98, producers are spending less time on administrative requirements than they did before implementation of the Agricultural Market Transition Act, which authorized Production Flexibility Contracts. GAO found that the number of required producer visits to Service Centers and the amount of time spent on paperwork have declined.

Objective 1.2: Provide marketing assistance loans and loan deficiency payments enabling recipients to continue farming operations without marketing their product immediately after harvest.

Key Performance Goal

Issue loans or LDPs on all eligible production (except sugar), when loan rates exceed market prices (%) (Baseline, 15% - FY 1997)

Target: 85%

Actual: 77% (wheat, corn, barley, oats, grain sorghum and soybeans) Preliminary
88% (upland cotton) Preliminary

2000 Data: The data in this report is preliminary. The final loan and Loan Deficiency Payment (LDP) availability date for 2000 crop barley, oats, and wheat is March 31, 2001. The final loan and LDP availability date for 2000 crop corn, grain sorghum, cotton, and soybeans is May 31, 2001. Final fiscal year-end data for 2000 crops should be complete and reported within two months after the applicable final loan availability dates.

Year	Actual Production	Actual Loans/LDPs	Actual	Target
1995	12,277,483,000 bu. ^a	981,173,790 bu. ^a	8%	
	9,344,662,600 lbs. ^b	543,655,473 lbs. ^b	6%	
1996	14,844,373,000 bu. ^a	1,377,105,313 bu. ^a	9%	
	12,889,450,000 lbs. ^b	1,772,864,000 lbs. ^b	14%	
1997	14,904,172,000 bu. ^a	1,680,031,810 bu. ^a	11%	
	12,151,170,000 lbs. ^b	2,260,109,630 lbs. ^b	19%	
1998	15,587,829,000 bu. ^a	12,032,577,410 bu. ^a	77%	
	7,341,582,100 lbs. ^b	6,250,035,400 lbs. ^b	85%	
1999	14,809,865,000 bu. ^a	11,827,873,470 bu. ^a	80%	67%
	7,820,976,000 lbs. ^b	7,685,338,800 lbs. ^b	98%	67%
2000	15,898,593,000 bu. ^a	12,305,641,060 bu. ^a	77%	75%
	8,074,560,000 lbs. ^b	7,108,651,200 lbs. ^b	88%	75%

^aWheat, corn, barley, oats, and soybeans loans and LDP's for 1997-1999

For 1995-1996, there were no LDP's on these crops. ^bUpland cotton loans and LDP's for 1997-1999. For 1995-1996, there were no LDP's on cotton. 2000-crop barley, corn, oats, grain sorghum, wheat and soybean data, was obtained from the PSD on-Line Reports and NASS Production Estimates Database. Cotton loan and LDP data from PSL-82R. Form A (County office) and Form G (CMA) cotton loan and LDP activity as of 1/17/01.

The source of the production data in this report is the National Agricultural Statistics Service's Published Estimates Data Base

(<http://www.nass.usda.gov/81/ipedb/>).

The sources of the loan and LDP data are the 2000 National Loan Summary Report and the 2000 LDP Summary Report.

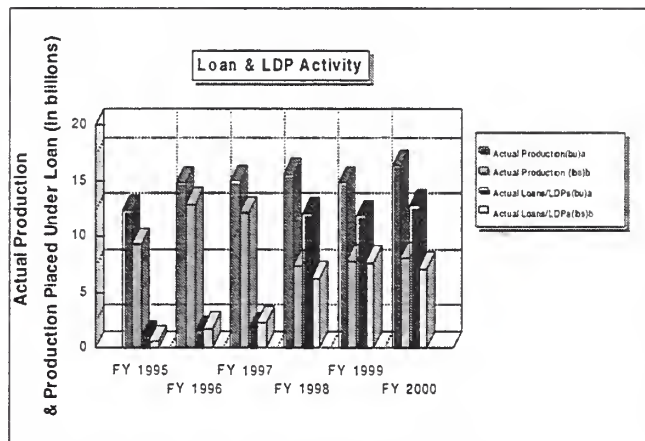
These two query reports are found in the Online Reports section of FSA's Price Support Division (PSD) web page (<http://www.fsa.usda.gov/dafp/psd/>).

The data for actual quantity of loans and LDP's is obtained from reports uploaded from Service Centers to KCITSDO. Because the loan and LDP data are uploaded daily and the NASS production data is final for most commodities, there does not appear to be any limitations on this data.

Analysis of Results: Preliminary data for FY 2000 indicates a slight decrease in the percentage of actual production placed under loan or on which a LDP was disbursed from 1999 to 2000. This decrease was primarily due to slightly higher market prices for some commodities during parts of the 1999 calendar year. The majority of producers took LDPs rather than loans, which further indicates that many producers were expecting market prices to improve later in the year, thereby reducing the need to place their commodities under loan for possible forfeiture at maturity. While a number of producers took advantage of the provisions that permit LDP's on silage, there is no way to obtain the percentage because no reliable data is available. At the time of this report, Form G cotton LDP data was not available. Percentages will be provided as soon as received.

Current Fiscal Year Performance: At this point, we expect loan and LDP activity to remain at or near the same levels that have occurred since the 1998 crop.

Regarding management of the loan and LDP programs, we believe that many of the problems that plagued the programs have been adequately addressed through new, revised and clarified policies, regulations and procedures. We have utilized annual National training meetings, conference calls, notices and handbook amendments to address issues as they have arisen, and are quite confident that this approach will continue to be more than



adequate to address any issues that may affect the 2000 crop. State and Service Center offices have also utilized many of the same methods to help educate both internal and external contacts about program provisions. State and Service Center offices are continuing to utilize all available sources to publicize the program and any significant changes that are made to existing policies.

FSA will continue to monitor the effectiveness of the program and take necessary and appropriate actions as expeditiously as possible.

Program Evaluations: PSD will continue to conduct management meetings on current major issues. PSD has also submitted a proposal to reorganize using a program manager to develop most policies affecting the operation of loan and LDP programs for wheat, feed grains, oilseeds, cotton and rice. The program managers will monitor the effectiveness of the loan and LDP programs on an on-going basis. PSD is also contemplating completion of an internal assessment of the loan and LDP programs at some time during the 2001 calendar year, however, a final decision has not yet been made. At the present time, the loan and LDP programs appear to be operating with few, if any, major issues.

Objective 1.3: Stabilize the price and production of tobacco and peanuts.

Key Performance Goals

Maintain the economic viability of the peanut program and producers by establishing producer/purchaser assessments and stabilizing peanut prices. (Baselines for marketing year 1996: Assessments - .0035 dollars per pound for quota peanuts (QP); .0004 dollars per pound for non-quota peanuts (NQP). Prices-\$610 per ton for QP; \$132 per ton for NQP)

Average peanut assessment (\$/pound)

Target: QP - \$.00366; NQP - \$.0011

Actual: QP - \$.00366; NQP - \$.0011

Average price per pound of peanuts (\$/ton)

Target: QP- \$610.00; NQP- \$175.00

Actual: QP- \$610.00; NQP - \$132.00

2000 Data: Average peanut assessment - The peanut assessments are collected and reconciled by the three area peanut associations, in conjunction with the Commodity Credit Corporations (CCC).

FSA's Tobacco and Peanuts Division (TPD) oversees the collection of assessments. However, the area peanut associations are required to monitor and reconcile the collection of assessments for marketings in their applicable area.

FSA's Peanut Marketing Assessment Database System, which is maintained by the peanut associations, contains checks and balances to ensure peanut assessment data is accurate and complete. Also, the Kansas City office performs validity checks on the data prior to transferring it to FSA's Information Technology Services Division (ITSD) and the peanut associations, who verify and reconcile the assessment data with peanut handlers' records and Financial Management Division (FMD) records to determine final assessment collection figures at the end of each crop year.

Data is electronically transferred from peanut buying points to their affiliated handlers to Kansas City's data collection center daily. Data files are posted daily to the mainframe for ITSD to capture and provide to the peanut associations on the FSA Bulletin Board System. The peanut associations upload the data files into the Peanut Marketing Assessment Database System daily.

Average price per ton of peanuts: The peanut association software application, which monitors price support loan activity, provides program checks to ensure the integrity of loan data. Peanut association personnel enter data from FSA-1007's, "Inspection Certificate and Sales Memorandum", into the association application software to

double check the accuracy of the data provided to the peanut associations. Also, Kansas City personnel run validity checks on the data prior to providing it to the peanut associations.

Peanut buying points electronically transmit data daily to their affiliated handlers who transmit it to the Kansas City office's data collection center. The Kansas City office then provides peanut associations with data files daily to be uploaded into the peanut association software application.

Average peanut assessment: The component parts of the average peanut assessment are the quota and additional price support levels and the assessment rate of 1.2 percent as established by the 1996 Act. For the 2000 crop year, the applicable price support level is multiplied by the assessment rate of 1.2 percent to determine the peanut assessment rate.

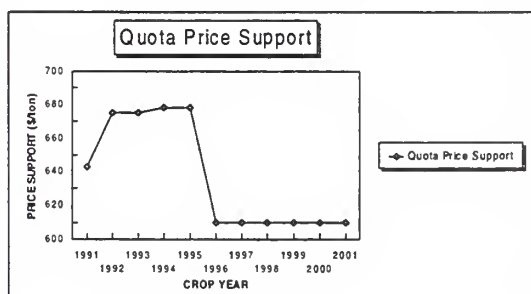
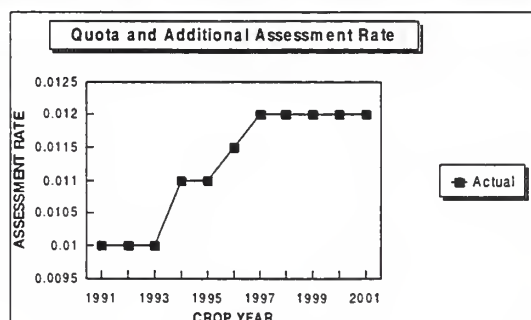
Crop Year	Assessment Rate	Quota Price Support	Quota Rate	Additional Price Support	Additional Rate
1991	1%	\$642.79	\$0.00321395	\$149.75	\$0.0074875
1992	1%	\$674.93	\$0.00337465	\$131.09	\$0.0065545
1993	1%	\$674.93	\$0.00337465	\$131.09	\$0.0065545
1994	1.1%	\$678.36	\$0.00373098	\$132.00	\$0.0072600
1995	1.1%	\$678.36	\$0.00373098	\$132.00	\$0.0072600
1996	1.15%	\$610.00	\$0.00350750	\$132.00	\$0.0075900
1997	1.2%	\$610.00	\$0.00366000	\$132.00	\$0.0079200
1998	1.2%	\$610.00	\$0.00366000	\$175.00	\$0.0105000
1999	1.2%	\$610.00	\$0.00366000	\$175.00	\$0.0105000
2000	1.2%	\$610.00	\$0.00366000	\$132.00	\$0.0105000

Average price per ton of peanuts: The price per ton of peanuts does not have any component parts because the quota price support level is set by legislation at \$610 through the 2002 crop year and the additional price support level is established by the Secretary each year.

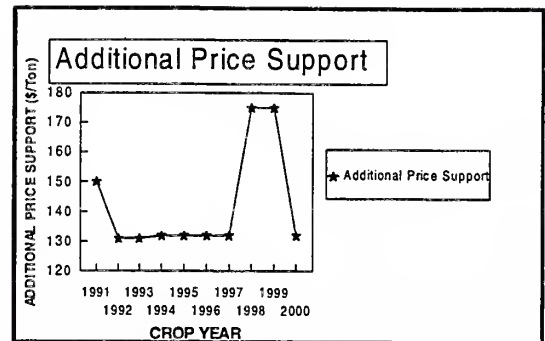
Average peanut assessment: The average peanut assessment rate increased slightly from 1991 to 1997. However, the average peanut assessment rate has been set at 1.2 percent for the 1997 through 2002 crop years.

Average price per ton of peanuts: The quota price support level dropped in 1996 when the 1996 Act was implemented. Again, the 1996 Act set the quota price support level at \$610 for the 1996 through 2002 crop years.

The additional price support level increased in 1998 to \$175 per ton. The increase was made in an effort to ensure no loss to CCC on the sale or disposal of additional peanuts.



Analysis of Results: Average peanut assessment - The 1996 Act set the assessment rates for the 1996 through 2002 crop years. The assessment rate remains the same, 1.2 percent of the quota or additional price support, for the 1997 through 2002 crop years. In addition, the 1996 Act provides the use of peanut assessments collected for the current crop year to be used to offset losses in the peanut price support program. If current assessment collections are not sufficient to cover peanut price support program losses, the subsequent crop year's assessment on producers of quota peanuts will be increased to cover prior year losses. Therefore, assessments are significant in maintaining the economic viability of the peanut price support program by assisting in establishing a no-net-cost program.



One external factor that would impact the average additional assessment is the additional peanut price support level established by the Secretary each year. The additional peanut price support level that is set by the Secretary will determine the average peanut assessment for additional peanuts. Since the 1996 Act establishes the quota price support level at \$610 for the 1996 through 2002 crops, the only external factor impacting the quota assessment rate would be program losses for the previous crop year, if any. The amount of the previous year's program loss will determine the quota assessment rate the following year.

Average price per ton of peanuts: The 1996 Act established the quota price support loan rate (\$610) for producers to assist in maintaining a balance between supply and demand in the marketplace which stabilizes the price of peanuts by helping ensure that market prices exceed price support loan rates. When market prices exceed loan rates, producer income increases and loan inventories decrease, thereby lowering expenses associated with the operation of the peanut price support program. The Secretary sets the additional price support level each crop year at a level estimated to ensure no loss to CCC on the sale or disposal of additional peanuts.

Since the 1996 Act sets the quota price support through the 2002 crop year, only the additional price support established by the Secretary is impacted by external factors, which are the expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

Current Fiscal Year Performance: FSA is on target in maintaining the economic viability of the peanut program and the producers by establishing producer/purchaser assessments to assist in maintaining a no-net-cost program, and by stabilizing the price of peanuts to ensure that market prices exceed price support loan rates.

Program Evaluations: None conducted during FY 2000.

Maintain the economic viability of tobacco program and producers by establishing producer/purchaser assessments and stabilizing tobacco prices. (Baselines for marketing year 1996: Assessments-2 cents per pound. Price-\$1.87 per pound)

Average tobacco assessment (\$/pound)

Target: \$.08 or less/lb.

Actual: \$.054/lb.

Average price per pound of tobacco (\$/pound)

Target: \$1.70/lb.

Actual: \$1.83/lb.

Average tobacco assessment:

Total Assessment paid	1995	1996	1997	1998	1999	2000
Flue-cured	\$.01	\$.0119	\$.0038	\$.0037	\$.02	\$.05
Burley	\$.0028	\$.0026	\$.0024	\$.042	\$.06	\$.06

Average price per pound of tobacco received by farmers:

Average price received by farmers	1995	1996	1997	1998	1999	2000
Flue-cured tobacco	\$ 1.716	\$ 1.730	\$ 1.739	\$ 1.756	\$ 1.750	\$ 1.790
Burley tobacco	\$ 1.824	\$ 1.837	\$ 1.866	\$ 1.881	\$ 1.903	\$ 1.960

2000 Data: Assessments - Data used in determining the tobacco assessment is electronically transferred from the tobacco cooperatives and FMD on a monthly basis to the Tobacco Loan Association Automation System. The assessment reported is the weighted average of flue-cured and burley tobacco, which account for approximately 90 percent of U.S. tobacco production.

TPD requires the grower-owned cooperatives to reconcile the no-net-cost accounts at the end of each crop year to ensure the correct amount of assessments were collected. Also, TPD reconciles the no-net-cost accounts by type of tobacco utilizing bank statements from FMD and crop production reports from Kansas City.

Prior to the beginning of each crop year, TPD determines funding available in Commodity Credit Corporation trust accounts (no-net-cost accounts) to administer the tobacco price support program, and projects anticipated outlays and losses associated with this program. Based on this evaluation, assessment rates are established for the upcoming crop year. Annually, TPD compares actual loan outlays to account balances of assessments to determine the actual tobacco assessment level for the subsequent year.

Average Price – Data is preliminary. The average price reported is the weighted average of flue-cured and burley tobacco, which account for approximately 90% of U.S. tobacco production. Flue-cured data is final, while the price for burley is based on 62% of the 2000 crop year tobacco that has been marketed to date. Final data for burley is expected to be available by April 30, 2001, after the marketing season ends. Final data is not expected to be materially different from the preliminary data reported.

TPD receives daily, weekly, and year-end market news summary reports from the Agricultural Marketing Service (AMS), which collects and disseminates tobacco price data on a daily basis during the marketing of each kind of tobacco that receives price support. During the marketing seasons, these reports enable TPD to identify the quantity of tobacco being placed under price support loan, marketed, or introduced into the trade. These reports also enable it to compare average market prices to price support loan rates established by the Secretary. TPD verifies actual loan receipts through the tobacco cooperatives.

Analysis of Results: Assessments – The No-Net-Cost Tobacco Program Act of 1982 requires that the tobacco programs operate at no-net-cost to the Federal government, other than administrative expenses common to the operation of all price support programs. The assessment rates and the amount of funds in the no-net-cost accounts for each type of tobacco are evaluated each year to ensure this mandate is met. The no-net-cost assessment for the following year is adjusted to maintain the fund at the desired level. The assessments are significant in maintaining the economic viability of the tobacco price support program by ensuring it operates at no-net-cost.

Average Price – The 1949 Act established the procedure to determine the price support loan rate for each type of tobacco. The price is set to assist in maintaining a balance between supply and demand in the marketplace, which stabilizes the price of tobacco by helping to ensure that market prices exceed price support loan rates. The Secretary sets the price support level each crop year at a level determined by Section 106 of the 1949 Act.

The market price (preliminary) received in 2000 is higher than the loan rate, resulting in increased producer income and decreased loan inventories, which reduces expenses associated with the operation of the tobacco price support program. The cost savings is then passed to tobacco producers/purchasers in the form of lower tobacco assessments.

Current Fiscal Year Performance: FSA is on target in maintaining the economic viability of the tobacco program and producers, by establishing producer/purchaser assessments to assist in maintaining a no-net-cost program and by stabilizing the price of tobacco, to ensure that market prices exceed price support loan rates.

Program Evaluations: None conducted in FY 2000.

Objective 1.4: Provide a financial assistance safety net to eligible producers when natural disasters result in a catastrophic loss of production or prevent planting of noninsured crops.

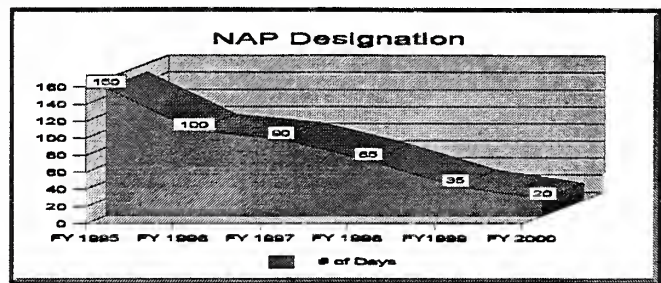
Key Performance Goal

Improve NAP area and crop eligibility determinations by decreasing the time to designate NAP areas and determining producer eligibility.

Target: 35

Actual: 20

FY	Average # of Days (actual)	Target
1995	150	
1996	100	
1997	90	
1998	65	
1999	35	55
2000	20	35



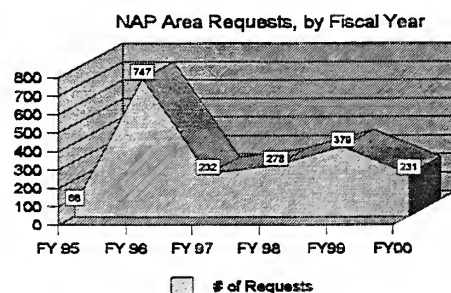
2000 Data: Data is maintained on in-house tracking system, developed specifically for monitoring designation timeliness. The data is submitted to headquarters from each State and input into the system. Information regarding the number of days necessary to designate a Noninsured Crop Disaster Assistance Program (NAP) area and determine crop eligibility is through September 30, 2000. An actual count is used through the tracking system, which is updated weekly, to track the number of days in categories of 0-30, 31-60, and 61- 90, so management can monitor the age of area requests.

Analysis of Results: FSA accomplished its FY 2000 performance goal. The average number of days necessary to designate a NAP area and determine crop eligibility in FY 2000 was 20 days, which is a substantial decrease from the 35 day designation time in FY 1999. The result is attributable to a better understanding by field personnel of required data necessary to conclusively determine whether an area should be designated.

Because of expeditious NAP area determinations, farmers and ranchers have been able to receive payments closer to the time of their natural disaster occurrence, allowing them to more quickly recover a percentage of the production and input costs associated with the failed crop.

Current Fiscal Year Performance: It is anticipated that FSA will meet the FY 2001 target.

Program Evaluations: According to field surveys, producers are spending less time on administrative requirements than they did upon implementation of the Federal Crop Insurance Reform Act, which authorized non-insured program disaster assistance payments. Producer visits and the amount of time spent on paperwork have declined significantly.



Goal 2: Assist agricultural producers and landowners in achieving a high level of stewardship of soil, water, air, and wildlife resources on America's farms and ranches while protecting the human and natural environment.

Objective 2.1: Provide Conservation Reserve Program (CRP) funding to help improve environmental quality, protect natural resources, and enhance habitat for fish and wildlife, including threatened and endangered species.

Key Performance Goal

Reduce soil erosion, protect water quality and air quality, restore wetlands, and improve wildlife habitat by establishing conservation cover and/or installing priority practices on enrolled CRP acreage.

Number of acres enrolled per fiscal year (cumulative)

Target: 32.8 million

Actual: 31.5 million

- Regular (competitive) enrollment acres

Target: 30.9 million

Actual: 30.3 million

- Continuous (including CREP) enrollment acres

Target: 1.4 million

Actual: 1.2 million

States with approved CREP agreements

Target: 15

Actual: 12

Acres of high environmental sensitivity enrolled in CREP

Target: .25 million

Actual: .12 million

Acres established in conservation buffers (including filter strips and riparian buffers)

Target: 1.4 million

Actual: 1.2 million

Acres of highly erodible land (HEL) retired

Target: 24.0 million

Actual: 23.7 million

Acres of HEL that would erode above "T"¹ when farmed with conservation plan (Environmental Index ≥ 15)

Target: 10.7 million

Actual: 10.4 million

Acres enrolled in the Prairie Pothole, Chesapeake Bay, Great Lakes, and Long Island Sound national conservation priority areas

Target: 7.2 million

Actual: 7.2 million

Acres in trees or other non-crop vegetative or water cover that provides permanent wildlife habitat

Target: 4.6 million

Actual: 5.3 million

Acres planted with vegetative covers determined best suited for wildlife

Target: 17.1 million

Actual: 16.7 million

Restored acres of wetlands

Target: 1.6 million

Actual: 1.5 million

Acres planted with trees

Target: 2.0 million

Actual: 2.1 million

Established acres of restored rare and declining wildlife habitat

Target: 274 thousand

Actual: 249 thousand

¹ "T" (tolerance rate) is the maximum rate of erosion that can occur without significant damage to the productive capacity of the soil.

2000 Data: Data comes from the FSA National Conservation Reserve Program Contract and Offer Data Files. CRP data is uploaded from the USDA Service Centers to the automated CRP data files monthly. CRP offer data files are uploaded following each general signup period. Offer data is then evaluated and ranked according to relative environmental benefits, and upon contract approval, the data is updated to reflect land use and land treatment. To help ensure program integrity, Service Center employees conduct on-site spot checks and review producer files prior to annual payment issuance to ensure conservation practices are maintained in accordance with program requirements.

Data limitations primarily result from (1) the time lag from when signups are held and contracts signed and when the data is input into the automated systems at the Service Center, (2) continual updating of the CRP contract data, and (3) periodic changes in the data that is reported in the contract and offer data files.

Analysis of Results: The performance goal for CRP, to reduce soil erosion, protect water and air quality, restore wetlands and improve wildlife habitat by establishing conservation cover and/or installing priority practices on enrolled acreage is a long term goal and is not directly measurable. To assist in measuring the results of CRP, a variety of performance measures, with targets for each year, have been developed. Due to a lower than anticipated Signup 18 approval rate and continued slow continuous signup enrollment pace, actual CRP general and continuous signup enrollment levels did not reach targeted levels. The differences in the other categories of CRP performance measures reflect both technical adjustments to the estimation process and the lower than anticipated Signup 18 approvals.

The 20th CRP signup - held in FY 2000 during a four week period from January 18 through February 11, 2000 - accepted over 39,500 offers, representing nearly 2.5 million acres. Contracts do not begin until FY 2001. This included 1.3 million acres of highly erodible land, 1.3 million acres of land within conservation priority areas, 150 thousand acres of wetlands and protective upland areas, and 123 thousand acres of rare and declining habitats to be restored. About 65 thousand acres of longleaf pine habitat will be restored.

In addition to the 20th CRP signup, Conservation Reserve Enhancement Program (CREP) Federal-state partnerships were created in Michigan, Missouri, Ohio, Pennsylvania, and Virginia in FY 2000.

1. Michigan CREP: designed to restore 80,000 acres of environmentally sensitive land to reduce sediment and pollutant loadings of the Great Lakes by up to 50%.
2. Missouri CREP: designed to protect water supplies of 58 small rural communities that rely on surface water supplies.
3. Ohio CREP: a 67,000 acre program designed to reduce sediment and nutrient loading to Lake Erie.
4. Pennsylvania CREP: a 100,000 acre program designed to reduce nutrient loading to the Chesapeake Bay and restore wildlife habitat.
5. Virginia CREP: a 35,000 acre program designed to reduce nutrient loading to the Chesapeake Bay and to restore wildlife habitat in the southern rivers of Virginia.

Description of Actions and Schedules: To increase enrollment of continuous signup conservation buffers, additional financial incentive payments were established in May 2000 for most continuous signup practices. However, only slight increases in enrollment had been realized by the end of FY 2000. Regarding CREP partnership agreements, USDA continues to promote CREP benefits and work with individual State governments to establish new partnerships. A significant factor which may limit CREP expansion is budget constraints at the State level.

Current Fiscal Year Performance: The current fiscal year performance measures are based on the characteristics of expiring CRP acreage and projected Signup 20 and continuous/CREP enrollment that start in FY 2001.

Program Evaluations: None conducted in FY 2000.

Objective 2.2: Provide Emergency Conservation Program (ECP) funding for farmers and ranchers to rehabilitate farmland damaged by wind erosion, floods, hurricanes, or other natural disasters, and for carrying out emergency conservation measures during periods of severe drought.

Key Performance GoalRehabilitate damaged acreage to agricultural production under ECP.(#)

Target: 5.3 million

Actual: 7.6 million

2000 Data: Data comes from the Conservation Reporting and Evaluation System (CRES), which is maintained at the Kansas City Administrative Office. CRES data originates in the Service Centers. CRES reports are reviewed on a monthly basis to help ensure data accuracy.

Analysis of Results: During FY 2000, FSA issued \$97.9 million in ECP assistance to agricultural producers in 45 States, Puerto Rico, and the Virgin Islands. The funding was used to help farmers and ranchers fund practices to rehabilitate farmland damaged by natural disaster and for carrying out emergency water conservation practices during times of severe drought.

The target of 5.3 million acres established for FY 2000 was developed based on projected expenditures for ECP practices. It is impossible to predict the performance of ECP in any given year because program activity is based on occurrence of natural disasters, whose severity and frequency is not known until after the fact. In FY 2000, due to the severity and magnitude of natural disasters, actual damaged acreage exceeded the target of 5.3 million acres by 2.3 million acres.

Current Fiscal Year Performance: The target of 3.1 million acres established for FY 2001 was developed based on projected expenditures for ECP practices. The acreage amount is based on estimated expenditures for FY 2001 of \$40 million at \$12.90 per acre.

Program Evaluations: None conducted during FY 2000.

Objective 2.3: Protect public health of communities' water supply contaminated by carbon tetrachloride through continued implementation of CCC's Hazardous Waste Management Program.

Key Performance GoalsImprove the timeliness and cost-effectiveness of site remediation initiatives for CCC hazardous waste activities.

Site investigation costs

Target: \$675,000

Actual: \$675,000

Average amount of time to perform site investigations

Target: 10.5 months

Actual: 10.5 months

Continue to protect public health by providing communities safe drinking water.

Communities provided safe drinking water through remediation efforts

Target: 3 alternative water sources

Actual: 4 alternative water sources

2000 Data: Data sources include monthly budget and accounting documents supplied by support contractors, purchase order information, and reimbursable agreements developed by CCC.

Analysis of Results: In FY 2000, CCC provided alternate domestic water sources to over 30 households in four municipalities affected by carbon tetrachloride groundwater contamination. These included installations in Navarre, Kansas, as well as Barneston, Bradshaw, and Milford, Nebraska.

CCC completed two site investigations in FY 2000. The average cost per site, \$675,000, increased slightly over the FY 1999 average of \$650,000, but was consistent with the established target. One investigation (Hubbard, Nebraska) was abbreviated due to the determination that CCC was not responsible for the contamination.

CCC and its prime technical contractor, Argonne National Laboratory (ANL), devoted considerable resources in FY 2000 to litigation support. This included additional sampling activities, document review, and data reduction. CCC is currently involved in ongoing litigation in Navarre, Kansas. A portion of the Navarre lawsuit was settled at a cost to CCC of \$150,000. CCC is also conducting negotiations with the Union Pacific Railroad Company and the U.S. Department of Justice to determine liability allocation in Bruno, Nebraska. In FY 2000, CCC conducted significant additional soil and groundwater sampling in Bruno, Nebraska.

As a result of this legal activity, CCC and ANL initiated slight modifications to the site characterization program in order to better identify other responsible parties and contaminants at former CCC grain bin locations where CCC has been identified as a potentially responsible party.

CCC completed a pilot study to test the feasibility of using spray irrigation systems for the purposes of removal of volatile organic compounds such as carbon tetrachloride. This proved successful, and the concept will be field tested as a wetland augmentation project in 2001. Additionally, CCC has initiated engineering design of a remedial system for Raymond, Nebraska.

Current Fiscal Year Performance: Based on results achieved in FY 2000, FSA anticipates that FY 2001 goals will be accomplished.

Program Evaluations: The USDA Office of the Inspector General (OIG) conducted a review of the USDA Hazardous Materials Management Group during FY 2000. The results of this review will be published in FY 2001.

Goal 3: Assist eligible individuals and families in becoming successful farmers and ranchers.

Objective 3.1: Improve the economic viability of farmers and ranchers.

Key Performance Goals

Reduce direct loan delinquencies by 29% .(Baseline: 20.3% - FY 1996)

Target: 15.8%

Actual: 12.4%

Reduce first-year delinquency rate on new loans by 35% and restructured loans by 30%. (Baseline: 11% and 16.4%, respectively, FY 1996)

First year delinquency rates on new direct loans

Target: 7.0%

Actual: 7.3%

First year delinquency rates on restructured direct loans

Target: 10.0%

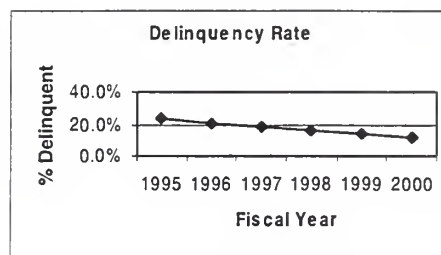
Actual: 10.2%

Increase the percentage of guaranteed loans made to direct borrowers by 8%.(Baseline: 32.5% - FY 1996)

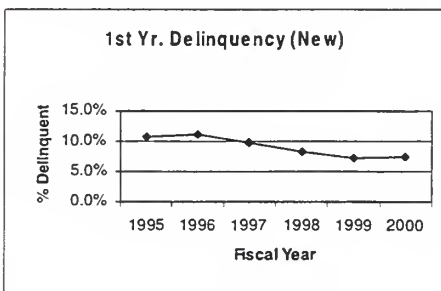
Target: 35.3%

Actual: 33.3%

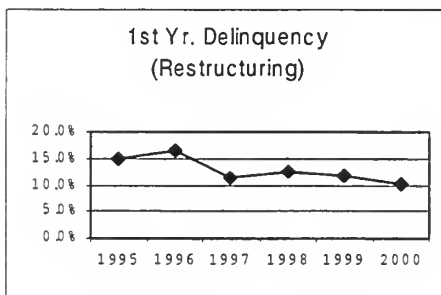
Direct Loan Delinquency Rate				
Fiscal Yr.	Dollars Outstanding	Dollars Delinquent	Percent Delinquent	Target
1995	\$14,341,752,192	\$ 3,408,219,189	23.8%	
1996	\$12,502,576,222	\$ 2,506,775,699	20.3%	Baseline
1997	\$11,611,028,025	\$ 2,136,769,979	18.1%	
1998	\$10,899,900,964	\$ 1,774,916,862	16.3%	
1999	\$10,441,403,925	\$ 1,480,275,885	14.2%	17.0%
2000	\$ 9,953,634,776	\$ 1,232,071,525	12.4%	15.8%



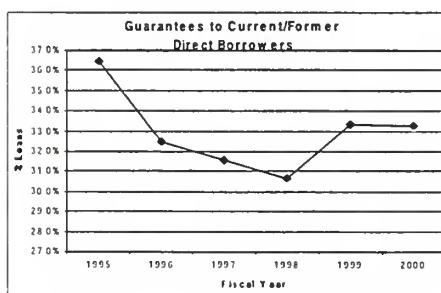
1 st Year Delinquency (New)				
Fiscal Yr.	# Loans Made in Year	# Loans Made That Are Delinquent	Percent Delinquent	Target
1995	23,015	2,452	10.7%	
1996	13,444	1,584	11.0%	Baseline
1997	8,296	1,809	10.5%	
1998	17,439	1,435	7.0%	
1999	18,121	1,310	7.2%	9.5%
2000	22,010	1,604	7.3%	7.0%



1 st Year Delinquency (Restructuring)				
Fiscal Yr.	# Loans Restructured in Prior Year	# Prior Year Restructured Loans Delinquent	% Delinquent	Target
1995	15,176	2,276	15.0%	
1996	12,170	1,993	16.4%	Baseline
1997	14,763	1,706	15.5%	
1998	12,477	1,554	12.0%	
1999	11,082	1,314	11.9%	14.4%
2000	9,560	979	10.2%	10.0%



Guarantees to Current/Former Direct Borrowers				
Fiscal Yr.	Total # Guaranteed Loans Made	Total to Fmr./Cur Direct	% to Fmr./Cur. Direct	Target
1995	16,233	5,919	36.5%	
1996	14,563	4,745	32.6%	Baseline
1997	11,944	3,768	31.5%	
1998	10,557	3,325	31.5%	
1999	15,688	5,231	33.3%	33.7%
2000	14,932	4,970	33.3%	35.3%



2000 Data: The data originates from FSA's accounting system. Loan transactions are entered daily by FSA Service Center staff and processed through the finance office. Since this data flows through the financial accounting system, it is subject to both internal and external audits.

Analysis of Results: A low delinquency rate means more producers are on schedule with their loan payments and are less likely to cease farming. FSA surpassed its FY 2000 performance target for direct delinquency, however, it did not meet either the 2000 target for reduction of first-year delinquencies on new loans or the 2000 target for reduction of first-year delinquencies on restructured loans. Although the Agency did not meet all of its 2000 targets, it remains on target to reach its goals of a 22 percent reduction in overall delinquencies, a 22 percent reduction in first-year delinquencies on new loans, and an 18 percent reduction in first-year delinquencies on restructured loans by 2002.

Improved monitoring and training loan officers contributed to the reduction in direct delinquency rates. State Office and Service Center staff have placed a priority on resolving a number of older delinquent cases and responded accordingly. The slight increase in first-year delinquencies on new loans and less than planned decrease in first-year delinquencies for restructured loans are due to low commodity prices and numerous natural disasters.

Description of Actions and Schedules: FSA will continue to closely monitor and quickly resolve delinquencies. FY 2001 will again be challenging with the weak commodity prices and many farmers recovering from previous disasters.

Current Fiscal Year Performance: FSA is on target to meet FY 2001 targets.

Program Evaluations: None conducted in FY 2000.

Objective 3.2: Reduce losses in loan programs.

Key Performance Goals

Reduce losses on direct loans by 27%. (Baseline: 8% - FY 1996)

Target: 6.5%

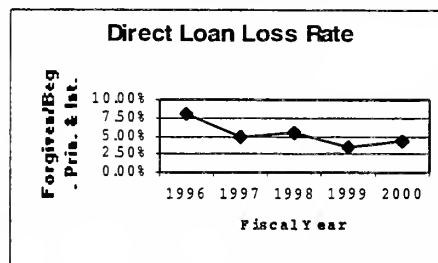
Actual: 4.2%

Maintain the guaranteed loan loss rate at or below 2.0%. (Baseline: .82% - FY 1997)

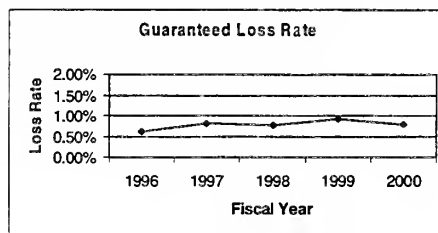
Target: 1.9%

Actual: .79%

Direct Loan Loss Rate				
Fiscal Yr.	Beg. Principal & Interest Outstanding	Amount Debt Forgiven**	Loss Rate	Target
1996	\$ 14,341,752,192	\$ 1,147,340,175	8.0%	Baseline
1997	\$ 12,502,576,222	\$ 612,976,112	4.9%	
1998	\$ 11,611,028,025	\$ 642,476,227	5.4%	
1999	\$ 10,899,900,964	\$ 411,042,265	3.5%	7.2%
2000	\$ 10,413,325,867	\$ 443,734,293	4.2%	6.5%



Guaranteed Loss Rate				
Fiscal Yr.	Beg. Principal Outstanding	Total Losses Paid**	Loss Rate	Target
1996	\$ 5,933,136,200	\$ 36,840,897	0.62%	
1997	\$ 6,378,468,262	\$ 56,161,235	0.82%	Baseline
1998	\$ 6,505,290,939	\$ 50,753,069	0.78%	
1999	\$ 6,537,611,899	\$ 60,953,367	0.93%	1.9%
2000	\$ 7,326,933,490	\$ 57,665,261	0.79%	1.9%



2000 Data: The direct and guaranteed loan losses data, and the direct loan outstanding principal and interest, originates from FSA's accounting system. Loan transactions are entered daily by the FSA Service Center staff and processed through the finance office. Since this data flows through the financial accounting system, it is subject to both internal and external audits.

The guaranteed loan outstanding principal balance comes from reports received from lenders servicing the guaranteed loans, which are required to be submitted to FSA twice each year. FSA Service Center staff receive these reports, input the data into the Agency's information system, and follow up with lenders to ensure all required reports are provided. FSA District, State, and National Offices monitor this process as part of routine oversight to ensure the reports are received and entered.

Analysis of Results: Both direct and guaranteed loss rates are below the FY 2000 targets. The guaranteed loss rate has fluctuated between .6% and 1% for the past several years and the direct loss rate has fluctuated between 3.5% and 5.5%. Loss rates are an indicator not only of prior years' loan decisions, but of the overall farm economy. When combined with a low delinquency rate, this indicates an improving Farm Loan portfolio for FSA.

Description of Actions and schedules: FSA intends to continue using prudent underwriting practices, borrower supervision, and loan servicing tools to maintain the low loss rates realized in FY 2000.

Current Fiscal Year Performance: FSA is on target to meet its FY 2001 targets.

Objective 3.3: Respond to loan making and servicing requests in a timely manner.

Key Performance Goal

Reduce direct and guaranteed loan processing times by 20%. (Baseline 23 days, 14 days guaranteed - FY 1996)

Direct loan average processing times

Target: 15 days

Actual: 16 days

Guaranteed loan average processing times

Target: 8 days

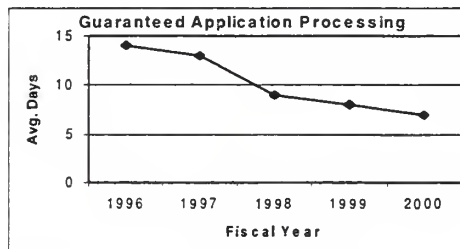
Actual: 7 days

Process 80% of all requests for primary loan servicing within 60 days. (DISCONTINUED)

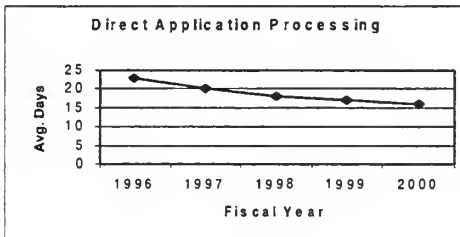
Target: 80%

Actual: Not Available

Guaranteed		
Fiscal Yr.	Average Days from Complete to Decision	Target
1996	14	Baseline
1997	13	
1998	9	
1999	8	10
2000	7	8



Direct		
Fiscal Yr.	Average Days from Complete to Decision	Target
1996	23	Baseline
1997	20	
1998	18	
1999	17	21
2000	16	15



2000 Data: Direct loan application data originated from FSA Service Center staff entries into the Agency's upgraded system, Management of Agricultural Credit. Guaranteed loan application data is entered in a similar manner by the Service Center staff into the guaranteed loan system.

Analysis of Results: FSA completely revised its guaranteed regulations in FY 1999. Included in these changes were the Preferred Lender Program and many other application streamlining changes. The full effect of the changes were realized in the FY 2000 loan season and FSA's guaranteed loan processing time continued to decline. The average guaranteed loan processing time declined from 14 days in 1996 to 7 days in FY 2000.

The average processing time for direct loans has steadily declined from 23 days to 16 days during that same time period. Improved monitoring, temporarily shifting personnel during peak loan season, and use of non-farm loan

employees contributed to this drop. Additionally, a direct loan program streamlining effort similar to the one implemented for the guaranteed program is currently underway.

The performance measure for processing loan servicing requests was discontinued in FY 2000 and data is unavailable. Program managers were not satisfied with the accuracy and reliability of the data because it was manually recorded.

Current Fiscal Year Performance: FSA is on target to meet its FY 2001 targets.

Program Evaluations: None conducted in FY 2000.

Objective 3.4: Maximize financial and technical assistance to under served groups to aid them in establishing and maintaining profitable farming operations.

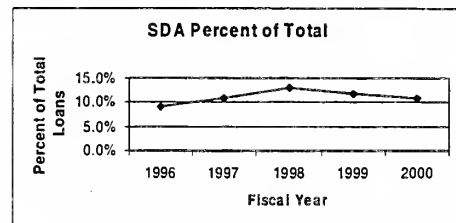
Key Performance Goal

Increase the number of loans to socially disadvantaged farmers/ranchers by 100%. (Baseline: direct and guaranteed loans to socially disadvantaged farmers/ranchers 9% - FY 1996)

Target: 13.9%

Actual: 10.9%

SDA Loans				
Fiscal Year	Number of SDA Loans	Total Number of Loans	SDA Percent of Total	Target
1996	2,600	28,687	9.0%	Base
1997	2,677	24,835	10.8%	
1998	3,186	24,523	13.0%	
1999	4,005	33,620	11.9%	14.4
2000	3,376	31,040	10.9%	13.9



2000 Data: This data is entered by the FSA Service Center staff at the time loans are obligated. Loans are classified as socially disadvantaged (SDA) based on the funding codes assigned when the loan is obligated. There is potential for the Service Center staff to use the wrong code; however, since funds are very limited for non-SDA categories, Service Center staffs are normally very careful about using the SDA codes whenever possible.

Analysis of Results: FSA did not meet its goal of increasing the number of loans to traditionally under served farmers and ranchers. However, as compared with the baseline, FSA continued the trend of providing more financial assistance to under served groups. FSA made 776 more loans to SDA applicants in 2000 than in 1996, the base year; this is an increase of 30%. In 2000, the demand for loans, both by SDA and non SDA applicants, declined after a sharp increase in 1999, and with both reduced numbers of SDA loans and total number of loans, the percent of total loans to SDA applicants declined and FSA was not able to meet the 2000 target.

Description of Actions and Schedules: In FY 2001, FSA plans to continue its outreach to minority farmers and ranchers to ensure program benefits are received by all qualifying applicants.

Current Fiscal Year Performance: Because the current performance measure may be misleading, FSA is revising the measure for this performance element. The current performance measure, number of loans to SDA applicants as a percentage of total number of loans, has been distorted by the loan demand and the size of loans. To better measure the actual progress in providing financial and technical assistance to under served groups, FSA will measure the dollar volume of loans made to SDA applicants.

Program Evaluations: None conducted in FY 2000.

Goal 4: Improve the effectiveness and efficiency of FSA's commodity acquisition, procurement, storage, and distribution activities to support domestic and international food assistance programs, and administer the U.S. Warehouse Act (USWA).

Objective 4.1: Reduce CCC's current contribution level associated with USWA examination operations, thereby increasing the self sufficiency of USWA examination operations.

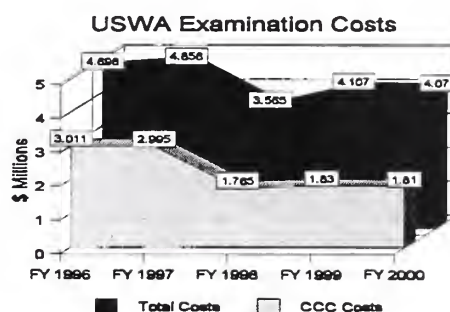
Key Performance Goal

Reduce CCC's costs associated with USWA examination operations to 40% of the total costs. (Baseline: 65% - FY 1996).

Target: 45%

Actual: 45%

Year	Total Examination Costs Million \$'s	CCC's Examination Costs Million \$'s	CCC's Share of Examination Costs	Target %
1996	4.696	3.011	64%	
1997	4.856	2.995	62%	
1998	3.565	1.765	50%	50%
1999	4.107	1.83	45%	45%
2000	4.07	1.81	45%	45%



2000 Data: The data is received on a monthly basis from three sources. The first, Form WA-130, Warehouse Examination Work Progress Report, which shows the number of hours per exam, is prepared by the Kansas City Commodity Office and forwarded to headquarters for analysis. The remaining two reports are generated by the CORE accounting system, the MB-117R2 and the MB-101, which summarize warehouse examination expenses by object class. FSA is not aware of any limitations to the data.

Analysis of Results: Total USWA examination costs were \$4.07 million, of which CCC's expenditures were \$1.81 million or 45 percent. There were 3,893.7 million bushels of grain, 4,022.1 million pounds of sugar, 110.8 million hundredweights of rice, and 9,104.4 million bales of cotton pledged as collateral to CCC for commodity loans for FY 2000 (crop year 1999). Compared to the previous crop year this was a 16 percent (637 million bushel) decrease for grain, a 122.6 percent increase (2,215.1 million pounds) for sugar, a 39.0 percent increase (30.5 million hundredweights) for rice, and a 86.5 percent increase (5,831.2 million bales) for cotton. Although continuing to experience an increase in total loan activity, CCC continued to decrease its percentage of USWA examination costs from FY 1996 levels and achieved its performance goal.

Current Fiscal Year Performance: Low commodity prices, that began with the 1998 crop, continued in conjunction with another large crop in 1999 and resulted in continued heavy loan volume for CCC in FY 2000. CCC has determined that until commodity prices improve and loan placements decline, which is not expected in the near future, funding of USWA examinations should increase five percent from the current level because of the increase in examinations conducted on behalf of CCC. Thus, the FY 2001 performance target is being revised upward to 50%.

Program Evaluations: None conducted in FY 2000.

Objective 4.2: Purchase processed commodities in a more timely and cost effective manner, and improve timeliness of processed commodity deliveries to customers.

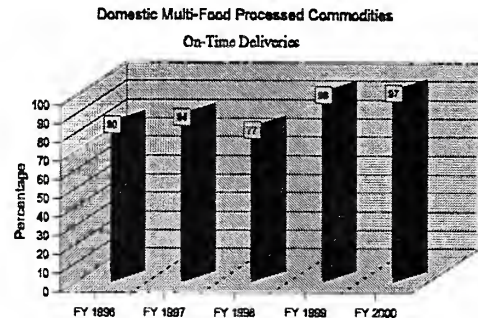
Key Performance Goal

Maintain the percentage of on-time deliveries and shipments for commodities purchased. (Baseline: 80% - FY 1996).

Target: 95%

Actual: 97%

FY	Total number of Deliveries	Number of On-time Deliveries	On-time Delivery Percentage	Target
1997	1,861	1,561	84%	
1998	2,083	1,616	77%	
1999	1,453	1,384	96%	95%
2000	2,990	2,903	97%	95%



2000 Data: Data is final. Vendors self-certify the delivery date on a forwarding notice, which is sent to FSA and input daily into the Processed Commodity Inventory Management System (PCIMS). FSA verifies and validates the data through two methods. First, as a regular part of the Total Quality Systems Audits, vendor delivery records are checked and compared to reported delivery dates. Second, FSA conducts random checks of warehouse logs and compares the information with FSA's copy of the forwarding notice.

Analysis of Results: FSA's customers have stated that 100% on-time delivery is a critical issue to them. Moving from 80% on-time delivery in FY 1996 to 97% in FY 2000 is a significant improvement. FSA's current rate of 97% is substantially closer to meeting customer expectations. FSA accomplished the improvement by continuing a long-term relationship with Americold Services Corporation in Carthage, MO. During FY 2000, FSA entered into a long-term contract with AADF in Albuquerque, NM, and consequently moved the primary storage facility for the Western Region from Visalia, CA, to Albuquerque, NM.

Current Fiscal Year Performance: FSA expects to continue to improve multi-food program delivery performance in FY 2001. FSA will regularly monitor performance measures and take appropriate action as necessary.

Program Evaluations: None conducted in FY 2000.

Objective 4.3 Improve customer satisfaction.

Key Performance Goal

Increase customer satisfaction by 5% (DISCONTINUED)

Customer satisfaction with services provided - Data Not Available

Customer satisfaction with commodities purchased - Data Not Available

2000 Data: Unavailable

Analysis of Results: This performance goal is discontinued. Customer satisfaction baselines were not established during FY 2000 due to both internal and external factors. First, the Food and Nutrition Service, in conjunction with three other partner agencies, FSA, AMS, and the Food Safety and Inspection Service continued a major business process re-engineering (BPR) effort in FY 2000 in the domestic food assistance program area. The four agencies have dedicated considerable financial and human resources to continue examination and analysis of core business functions and the development of recommendations for improvement. During FY 2000 most recommendations were forwarded to the Senior Oversight Committee (SOC) of the Commodity Improvement Council for approval, others are still in development. In November 2000, the four agencies formed 16 teams charged with developing steps and a schedule for implementation, obtaining approval from SOC and proceeding to

implement recommendations. Initial plans for implementation extend forward into FY 2002 indicating that FSA, as well as our partner agencies, will have substantial resources dedicated to changing the way we do business. We anticipate that new performance measures will be developed as part of the implementation plan.

In conjunction with, but separate from the BPR effort described above, the same partner agencies have embarked on an aggressive plan to modernize the current automation system, PCIMS. The agencies have studied the system limitations of PCIMS relative to current and new requirements driven by the BPR process, legislative changes, as well as other mandatory guidance. Further efforts focused on both business processes and technical aspects of the many problems identified. PCIMS cannot support many of the changes recommended without substantial investments of funds and time to accomplish necessary major system coding changes.

Presently PCIMS is locked into an architecture designed in the early 1980's that is batch oriented with extremely limited capability to provide these functions. PCIMS currently supports 2,500 users of which only 200 can access the system concurrently (in 10 geographic disperse locations). Results of a BPR indicate that a realistic customer base for a new system will number over 35,000 users (including 27,000 school districts and over 4000 warehouses, processors etc.) within the United States and its territories. Other requirements identified include:

- web-enabled system
- 24 X 7 X 365 operations
- real-time exchange of information.

The new system, the Food Acquisition, Tracking, Entitlement System (FATES), will support and serve the Agencies' budget, program, finance office and field office staff in performing mission-critical functions relevant to budgetary and programmatic control of funds and commodities. FATES will provide improved tools to respond more timely to funds and inventory control impacts imposed by legislative requirements, and to operational situations requiring urgent or emergency changes in funding and commodity operations priorities. No longer will the operating staff be forced to resort to using manual records for extended periods to manage and control funds and inventory operations.

Management Initiative 1: Provide fair and equal treatment in employment and the delivery of FSA programs.

Key Performance Goals

Increase the number of program and employee complaints processed on time.

Average number days spent processing program complaints compared to departmental guidelines (#) (Baseline: 54 days FY 1998)

Target: 24

Actual: 23.8

Maintain the percentage of employment complaints resolved at the informal level (%) (Baseline: 50% - FY 1998)

Target: 55%

Actual: 57.3%

2000 Data: Program Complaints - Data is compiled and maintained on an in-house database. Data limitations would be due to inaccurate source information or data input errors. To help ensure data quality, data is reviewed by management, input daily, and reports are prepared weekly, monthly, and quarterly. **Employment Complaints** - Data is compiled by an in-house tracking system. Informal EEO complaint data is collected from complainants by EEO Counselors, who then report the data to headquarters. The data is input into the database and validated. Limitations of the data would be due to human errors, such as inaccurate information provided by the EEO Counselor or data input errors, and by complaints handled by other USDA agencies that are not reported to FSA. The complaint intake form was modified in December 2000 to mitigate errors. Data is reviewed by management, input daily, and reports are prepared weekly, monthly, and quarterly.

The percentage of informal EEO complaints resolved is determined by dividing the number of withdrawals and resolutions by the number of complaints filed during the fiscal year.

Informal EEO Complaint Resolution Rate					
Fiscal Year	Number of Complaints Filed	Number of Complaints Withdrawn	Number of Complaints Resolved	Resolution Rate (Percentage)	Performance Target (Percentage)
1999	246	62	60	49.5	52.5
2000	164	69	25	57.3	55

Analysis of Results: Program Complaints - FSA met the FY 2000 target for processing program complaints within 24 days. This was achieved through a partnering agreement with USDA's Office of Civil Rights (OCR). OCR eliminated the need for FSA to interview the complainants in the preparation of Fact-Finding Inquiries. Performance was also enhanced by improved internal complaint processing methods implemented by FSA during FY 2000. Finally, FSA completely revised Handbook 18-AO to incorporate Departmental and Agency guidelines for managing the program complaint process, from the filing of a complaint to the final decision.

Employment Complaints - FSA exceeded the resolution performance target of 55 percent. This was achieved through early intervention in the informal EEO complaint process using traditional counseling and the Early Resolution Program (ERP). FSA's informal EEO complaint program is designed to give employees an opportunity to be heard quickly, take ownership of any resolution obtained, and most importantly, preserve relationships.

Current Fiscal Year Performance: FSA anticipates achievement of the FY 2001 targets.

Program Evaluations: An ERP participant survey was developed and issued in FY 2000 to evaluate the effectiveness of the program. Feedback was obtained and tracked by the participant's role in the ERP process, i.e., complainant, complainant's representative, responding management official, etc., based on their satisfaction with the process. Survey participants were asked to respond to 11 questions using a five point scale, "1" equaling very dissatisfied and "5" very satisfied. Sixty-three participants responded to the survey and the average satisfaction level was 3.18. Survey results will be analyzed in FY 2001 and program enhancements will be made where needed.

Complete ten EEO/Civil Rights Management Reviews of State /Service Center offices and take appropriate corrective actions timely.

Final EEO/CR Management Review reports submitted within 45 days of completing the ongoing site review (%)
(Baseline: 50% - FY 1998)

Target: 90%

Actual: 100%

Corrective actions taken within scheduled timeframes for noncompliances (%) (Baseline - 20% - FY 1998)

Target: 95%

Actual: 90% Preliminary

2000 Data: Data is maintained on an in-house tracking system. Data for corrective actions taken is preliminary. Final FY 2000 results will be reported in the FY 2001 annual program performance report.

Analysis of Results: All EEO/CR Management Review Reports were submitted within 45 days of completing the on-site review. The average processing time was 29 days for the 10 reviews completed. Final reports were completed and forwarded to FSA's Executive Director for State Operations for corrective action. In FY 2000, EEO/CR Management Reviews were completed in Illinois, Louisiana, Michigan, Minnesota, Mississippi, Missouri, New Mexico, Ohio, Oklahoma, and the Virgin Islands. The on-site reviews were completed by June 23, 2000, and all management review reports were completed by July 21, 2000.

Based on a preliminary analysis of corrective actions scheduled for completion during FY 2000, approximately 90% of actions were implemented timely. In some instances, the Agency has little or no control over the implementation of corrective actions and this negatively impacts the percentage of actions completed timely. For example, some of the corrective actions needed are to improve State Office or Service Center building/parking accessibility for disabled employees and customers. The Agency has requested that action be taken, however, the landlord is responsible for making the improvements.

Descriptions of Actions and Schedules: In FY 2001, a database will be developed to monitor the status of corrective actions needed to eliminate weaknesses discovered in management reviews. This database will replace the manual system currently used and will allow the Agency to better monitor the timeliness of corrective actions and perform timely follow-up when needed to help ensure actions are completed as scheduled.

Current Fiscal Year Performance: FSA anticipates achievement of the FY 2001 targets.

Program Evaluations. None conducted in FY 2000.

Improve workforce diversity by increasing the representation of women, minorities, and persons with targeted disabilities.

Representation of Hispanics and Asian Pacific employees in the workforce (%).

Target: Not Available

Actual: Hispanics - 3.1%; Asian Pacific - .9%

Representation of persons with targeted disabilities in the Agency (%) (Baseline: 1.49% - FY 1998)

Target: 1.37%

Actual: 1.33%

2000 Data: Diversity - Workforce diversity data and under-representation data are contained in automated databases maintained by the Department's National Finance Center (NFC). Targeted disabilities data is in the NFC database, collected semi-annually, and for FSA Federal employees only. Data is "self-reported" on the SF-256, "Self-Identification of Handicap", by employees when hired. As a result, it is possible that data limitations do exist. Additionally, there are situations where individuals do not have a disability when hired, but as a result of such factors as aging, illness, and accident, could be classified as having a targeted disability but do not complete a SF-256. Therefore those individuals would not be included in the data.

Analysis of Results: Diversity - A diversity analysis was completed in FY 2000 and baseline data was established. As a result of this analysis, the performance measures for diversity were revised to reflect the specific categories of under represented employees.

FSA continued to promote diversity awareness for employees and managers during FY 2000 and participated in numerous diversity training activities. Additionally, FSA identified specific strategies to eliminate barriers to diversity. Action items were developed and approved and implementation will begin in FY 2001.

FSA undertook a massive effort to recruit an additional 101 Farm Loan Officer Trainee positions. Recruitment strategies used to reach out to women and minorities included: contacting colleges and universities to request listings of recent graduates, clubs, and organizations; advertising in minority media; contacting Chamber's of Commerce for minority chamber organizations; distributing a flyer describing specific duties and qualifications for the positions to be filled; and hiring students under the Cooperative Education Agreement. As a result of the recruitment effort, minorities comprised 66.3% of the 92 individuals selected.

During FY 2000, FSA continued to utilize the Hispanic Association of Colleges and Universities National Internship Program to employ students in various levels of the organization and to encourage them to pursue career opportunities in agriculture. FSA employed 11 summer students and 4 fall students.

Additional diversity highlights include continued participation in the 1890 National Scholars Program during

FY 2000 to increase diversity in the Agency and provide full tuition, fees, books, and use of personal computers. FSA converted two interns to career-conditional appointments and coordinated the selection of six new scholars, giving FSA a total of 14 students in this program.

Targeted Disabilities - FSA continues to emphasize and promote disability awareness for employees through training. In FY 2000, FSA held five training sessions on a variety of topics. In addition, FSA distributed Disability Employment Training "Module C" to headquarters and field supervisors and managers. This is an electronic self-study training guide, covering general information about employment options, recruitment resources, and use of leave as accommodations.

Current Fiscal Year Performance: FSA anticipates achieving the FY 2001 targets.

Program Evaluations: None conducted in FY 2000.

Management Initiative 2: Enhance the ability of small, limited-resource, and socially disadvantaged (SDA) family farmers/ranchers to operate successfully.

Key Performance Goal

Increase the number of small, limited-resource, and socially disadvantaged family farmers and ranchers elected to County Office Committee positions. (%) (Baseline: FY 1996 - 7.51%)

Under served family farmers and ranchers elected to County Office Committee positions (%)

Target: 15%

Actual: 11.72%

The table below provides complete data for each group to show how the overall percentage was calculated.

Targeted Groups																		
FY	Black			Hispanic			Asian American/ Pacific Islander			American Indian/ Alaskan			Women (white)	Total Targeted Groups	Total COC Positions	Actual %	Target%	
	M	W	T	M	W	T	M	W	T	M	W	T						
96	35	1	36	55	3	58	19	2	21	49	2	51	522	681	9162	7.51%		
97	19	1	20	50	7	57	14	5	19	51	6	57	548	701	8378	8.37%		
98	36	1	37	55	10	65	15	6	21	63	5	68	572	763	8148	9.36%		
99	63	12	75	72	10	82	16	6	22	123	23	146	765	1090	7861	13.87%	12%	
00	31	1	32	75	10	85	10	6	16	89	10	99	604	836	7133	11.72%	15%	

M=men; W=women; T=total

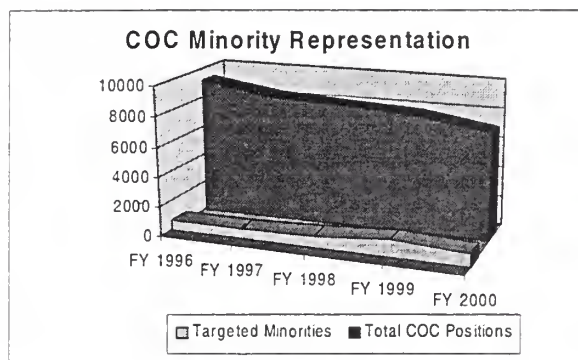
2000 Data: Data comes from FSA Service Centers and is maintained at Kansas City.

Analysis of Results: The most recent County Office Committee (COC) election was held in December 1999. The election resulted in a net decrease in minority representation on the COC, reversing the upward trend of recent years. Despite the decline in FY 2000, minority representation remains well above the FY 1996 baseline. Additionally, there was a decrease in the total number of COC positions from 7861 to 7133.

Descriptions of Actions and schedules: In FY 2001, FSA will continue its outreach efforts to increase minority representation on the COC and achieve the target established.

Current Fiscal Year Performance: As a result of the December 1999 election, FSA has revised the FY 2001 target slightly downward from 17% to 15%.

Program Evaluations: None conducted in FY 2000.



Management Initiative 3: Improve Financial Management and Reporting

Key Performance Goals

Establish electronic funds transfer (EFT) for all eligible service center initiated program and vendor payments.

Service Center initiated payments made by electronic funds transfer compared to total number of payments made (%)

Vendor Payments

Target: 85%

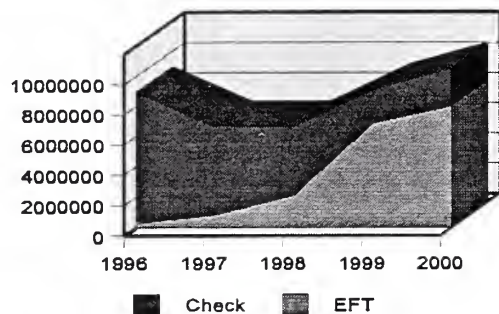
Actual: 53.1%

Producer Payments

Target: 70%

Actual: 77.1%

EFT vs. Check Payments



Year	Total # of Payments Made	# by EFT	%	Target
1996	8,964,831	306,696	3.4%	3.9%
1997	6,660,982	870,465	13.1%	13.1%
1998	6,669,260	2,140,815	32.1%	32.0%
1999	9,148,670	6,893,097	75.4%	50.0%
2000	10,536,974	8,044,459	76.3%	85.0%

2000 Data: This performance element reflects the percentage of all Service Center CCC-initiated payments being made by EFT.

Analysis of Results: During FY 2000, CCC experienced about five percent growth in its customer use of EFT as the primary payment mechanism. Some customers continue to invoke a waiver from the EFT requirement. The largest area of non-EFT vendors relate to administrative type payments where multiple payments are going to a single vendor, such as utilities. In these cases, detailed information related to the vendor's invoices is not available in the EFT environment and therefore not easily accepted as an option. However, CCC has developed a means of reporting the detail making up a summary EFT payment through the Internet. Also, the expanded use of assignments continues to be a paper-based payment process since the producer ID triggers the EFT flag and most assignments and all joint payments are accepted as a paper check. Currently there is no way to remove ineligible payees from the count of items paid by EFT versus paper check, so the paper check numbers are overstated since they include all the payees that have opted not to receive their payment by EFT. Normally payments initiated by the Service Center are deposited in the customer's bank account on the second workday after the payment was

authorized. However, we expect there will always be payment recipients who will continue to choose a paper check due to personal preference, technical issues, or business practices.

Description of Actions and Schedules: During FY 2001, CCC will implement a program to expand and improve the use of EFT for vendor type payments. Some of the expansion will be through improved reporting of payments made through alternative EFT mechanisms such as convenience checks and credit cards. Also, through improving the reporting of financial detail to customers, many multi-location vendors will be able to accept EFT payments that were not able to in the past due to lack of detailed payment information being available.

Current Fiscal Year Performance: The percentage of participation by customers continues at a plateau of between 75 and 80 percent. All FSA-initiated payroll payments were transferred to NFC in New Orleans on November 1, 1999. Without the Treasury mandate and enforcement capability, the request is nothing more than a voluntary process. As a voluntary process, 75-80 percent participation is an exceptional result. As such, future performance targets for FSA annual performance plans may need to be revised.

Program Evaluations: No program evaluations were performed. However, CCC provides the Office of the Chief Financial Officer (OCFO) quarterly reports showing the distribution of payments made by CCC. These reports are broken into salary, vendor, and miscellaneous categories. CCC uses the miscellaneous category to identify most of its program payments made to producers.

Participate in Treasury Offset Program (TOP) and Cross Servicing Program under the Debt Collection Improvement Act of 1996.

Eligible Debts referred to Treasury Offset Program

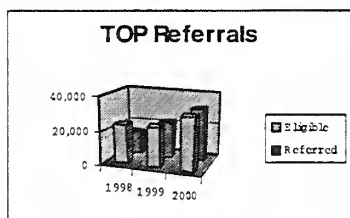
Target: 100%

Actual: 100%

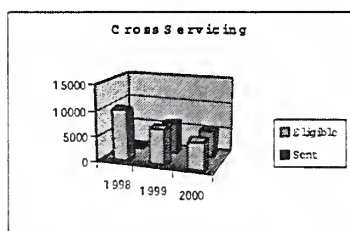
Eligible Debts referred for Cross-Servicing to Treasury

Target: 100%

Actual: 100%



Year	Debts Eligible for TOP	Debts Referred to TOP	Percent of Eligible Debt Referred to TOP	Target
1998	23,308	14,045	61%	75%
1999	23,723	21,567	90%	100%
2000	31,314	31,314	100%	100%



Year	Debts Eligible for Cross Servicing	Eligible Debts Referred for Cross Servicing	Percent of Eligible Debts Referred for Cross Servicing	Target
1998	10,136	0	0%	N/A
1999	7,154	6,154	86%	100%
2000	5,231	5,231	100%	100%

2000 Data: The source of this information is the Central Claims Database for farm program claims and the Program Loan Accounting System for farm loan debts. The methods used to collect the data are automated applications that feed from the end user into the centralized databases. The information is then available for control and reporting purposes. The limitation on the data is that it is as accurate as the information that is input by the originating office. However, there are many validations built into the Automated Claims System to ensure the accuracy of the data and that only valid information is accepted. Also, all FSA employees are provided instructions on handling the program data. Handbooks and notices are provided on processing of all program activity. The error rate on data is less than 1/10 of one percent. When errors occur, the transaction is suspended,

reviewed and corrected as soon as possible. The data is collected on a nightly basis from all field offices. The debt collection information that is received from the Department of Treasury is fed into the Automated Collection Application System the day it is received. These processes allow for the most current and accurate data available.

Analysis of Results: Treasury Offset Program - FSA referred 100% of its eligible debts to TOP in FY 2000. FSA updates TOP on a weekly basis so as new debts become eligible there are referred to TOP.

Cross Servicing Program - FSA referred 100% of its eligible debts to Treasury for cross servicing in FY 2000. FSA updates the cross servicing database on a monthly basis, so as new debts become eligible they are referred to Treasury timely.

Current Fiscal Year Performance: FSA is in full compliance with the Debt collection Improvement Act of 1996 for both the TOP and cross servicing requirements.

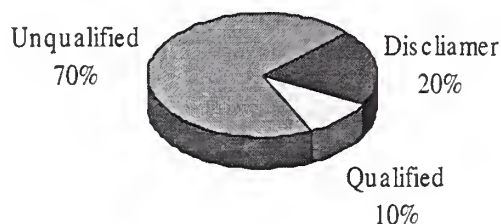
Program Evaluations: OIG Audit Report No. 06401-11-FM for FY 1999 CCC Financial Statements (copies of the audit report are available from FSA's Operations Review and Analysis Staff at 202- 690-2532). OIG recommended that FSA/CCC ensure Treasury develops a process for FSA/CCC payment systems to interface with Treasury. The Controller, CCC, requested an update to the schedule for providing system requirements to non-Treasury disbursing agencies and a proposed date for implementation of the interface for sending payment data to TOP from the Treasury Offset Program manager. FSA is prepared to begin the design, development, and testing and implementation phases of the necessary software enhancements once the system requirements are received from Treasury. No further action was required to address this audit recommendation.

Obtain an unqualified audit opinion on CCC Financial Statements (Yes/No).

Target: Yes

Actual: Not available (Opinion will be issued in April 2001)

**Type of Audit Opinion
(Fiscal Years 1990 - 1999)**



Year	Audit Opinion Issued (Actual)
1990	Unqualified
1991	Unqualified
1992	Unqualified
1993	Unqualified
1994	Unqualified
1995	Unqualified
1996	Disclaimer
1997	Unqualified
1998	Disclaimer
1999	Qualified
2000	Not Available

CCC's target is to obtain an unqualified audit opinion.

2000 Data: USDA's OIG annually audits and issues an opinion on the CCC financial statements. The actual performance data for FY 2000 is not available at this time because the FY 2000 financial statements audit is still in process. The audit opinion is expected to be issued in April 2001.

Analysis of Results: An analysis of FY 2000 results cannot be provided at this time because the audit opinion has not been issued. Therefore, the analysis of FY 2000 results will be included in the FY 2001 performance report.

In FY 2000, CCC hired an outside contractor - Ernst and Young, to perform independent validation and verification of CCC's credit reform accounting. The contract included assisting CCC in the following areas: assessment of the logic and accuracy of the transaction codes and related accounting entries; confirmation of CCC's FY 2000 beginning year balances for the credit reform programs; review and correction (as needed) of CCC's current credit subsidy estimation models; and recommendations for further improvements. The contract completion date was September 30, 2000.

During FY 2000, CCC/FSA hired a Section Head to supervise/oversee the Foreign Exports Accounting Section, which has the responsibility for performing the accounting and reporting for the foreign activities.

Along with this effort is CCC's participation in the Credit Reform Task Force headed by the Department's OCFO. CCC's participation on this task force is ongoing.

Description of Actions and Schedules: In FY 2001, CCC is enhancing its current Hyperion application by developing a new program to accommodate the Standard General Ledger structure in the new general ledger accounting system implemented in FY 2000 for domestic activities. This new program will allow for an automatic download of account balances to alleviate the manual process performed in FY 2000. FSA/CCC will continue to work closely with the OIG auditors to demonstrate the capabilities and internal controls of this new program to accurately and timely produce the FY 2001 financial statements.

Current Fiscal Year Performance: FSA anticipates accomplishing the FY 2001 target.

Program Evaluations: No program evaluations were performed.

<u>FSA/CCC general ledger systems that meet U.S. Standard General Ledger requirements (%)</u>	
Target:	80
Actual:	80

2000 Data: FY 2000 data is complete and reported. FSA has five legacy general ledger systems (CCC, FSA, FAS, Farm Loan Program, and Credit Reform Accounting System (CRAS)) which are required to be in compliance with the Federal financial management systems requirements, applicable Federal accounting standards, and the Standard General Ledger at the transaction level. This performance measure tracks the percentage of legacy systems that are now compliant as of September 30, 2000, which includes the CCC, FSA, Farm Loan Program, and CRAS systems. The FAS implementation of the general ledger function will be accomplished by replacing the NFC's Central Accounting System (CAS) with the Foundation Financial Information System (FFIS) in October, 2002 (FY 2003).

Analysis of Results: The implementation of CORE and FFIS will bring the legacy CCC, FSA and FAS general ledger systems into compliance with the Federal financial management systems requirements, applicable Federal accounting standards, and the Standard General Ledger at the transaction level. The legacy Farm Loan Program general ledger system was compliant and did not require a system replacement. As of FY 2000, legacy CCC, FSA, and CRAS general ledger systems have been replaced by CORE. This consolidated general ledger directly feeds the Department's FFIS for preparation of the Department's consolidated financial statements and report and provides data for preparation of the required financial statements for CCC, FSA, and FAS.

CORE has been implemented in phases, each manageable, narrow in scope, brief in duration, and involving specific mission area business entities. Each segment delivers a measurable net benefit independent of future phases. The CORE acquisition strategy involved the acquisition of commercial off-the-shelf accounting software, which is the same software procured by the USDA Chief Financial Officer for the FFIS. The CORE is transaction driven, via feeder systems data, and is updated on a daily basis. The information in CORE is validated by system validations to update the general ledgers. Hard copy reports and automated quality assurance reports are also

produced and reviewed through CORE as a validation process. Users can compile reports from CORE via Data Warehouse on an as-needed basis. There are no limitations on the data. Extensive acceptance testing was completed before and during the implementation of CORE. Therefore, CORE meets all Federal financial management systems requirements and applicable Federal accounting standards.

Current Fiscal Year Performance: The legacy CCC general ledger system (Financial Management System) was replaced by CORE in October, 2000 (FY 2001). The legacy FAS general ledger system (NFC's Centralized Accounting System) will be replaced by FFIS in October, 2002 (FY 2003). During FY 2000, FSA completed working with the USDA's OCFO to fully integrate FSA CORE data into the Department's FFIS. FSA is also working to develop the CORE Data Warehouse as the reporting solution to meet the reporting needs of program managers. This system will extract financial information from multiple systems, integrate and organize the data for reporting and analysis, and make the data available directly to managers, analysts and other end users for decision-making.

Program Evaluations:

- **USDA's OIG Audit Report Number 06401-7-FM and 06401-14-FM.** OIG's reports state "CCC has not fully implemented the U.S. SGL chart of accounts at the transaction level in its Financial Management System (FMS)." Copies of the audit reports are available from FSA's Operations Review and Analysis Staff at (202) 690-2532. With the implementation of CORE, the USDA's OCFO and OIG closed these longstanding audit issues in FY 2000.
- **USDA's OIG Audit Report Number 06401-18-FM.** In OIG's report it states, "CCC should ensure the CORE project provides for more accurate and efficient generation of the Statement of Cash Flows - Direct Method through the use of tightly controlled "cash only" transactions codes, and CCC should ensure that the CORE project provides advance funds control/budgetary accounting entries which are fully integrated with the proprietary accounting entries made." A copy of the audit report is available from FSA's Operations Review and Analysis Staff at (202) 690-2532. With the implementation of CORE, USDA's OCFO and OIG closed this audit issue in FY 2000.

<u>Support the Chief Financial Officer's mandate to implement FFIS (%)</u>	
Target:	0%
Actual:	0%

2000 Data: FY 2000 data is complete and reported. In 1994, the Department of Agriculture made the decision to implement the FFIS to achieve full compliance with laws, regulations, Congressional mandates, and Federal standards. The OCFO was directed to implement FFIS at FSA, the Rural Development Mission Area, and the Natural Resources Conservation Service (NRCS) by October 1, 2000. Implementation of FFIS at these agencies will make USDA over 80 percent compliant with the Congressional and Government-wide mandates that require an integrated financial management system.

Analysis of Results: The implementation of FFIS will bring the FSA general ledger systems into compliance with the Federal financial management systems requirements, applicable Federal accounting standards, and the Standard General Ledger at the transaction level. FFIS is the Department's "foundation" for streamlining administrative and financial processes and to provide access to timely and reliable financial information. This will reduce overall operating costs and achieve USDA compliance with applicable laws and regulations.

Current Fiscal Year Performance: The performance goal is to be fully compliant with the USDA's OCFO mandate to implement FSA's FFIS Application. During FY 2000, FSA completed working with the OCFO to fully integrate FSA CORE data into the Department's FFIS. The FFIS was implemented on October 1, 2000 (FY 2001). FSA is also working to develop the FSA CORE Data Warehouse as the reporting solution to meet the reporting needs of program managers.

Program Evaluations: No program evaluations were performed.

Implement Financial Reporting Data Warehouse tool to meet the FSA/CCC financial reporting requirements:

CORE – FSA Data	
Target:	100%
Actual:	100%
CORE – CCC Data	
Target:	100%
Actual:	0%
FFIS – FSA Data	
Target:	0%
Actual:	0%
Payment Management Data	
Target:	0%
Actual:	0%
Debt Management Data	
Target:	100%
Actual:	100%

2000 Data: FY 2000 data is complete and reported. FSA is developing a Data Warehouse reporting system to improve the FSA/CCC financial management information system. This performance element reflects implementation of the Data Warehouse tools to meet FSA/CCC financial reporting requirements.

Analysis of Results:

- CORE – FSA Data: In FY 2000, 100% of reporting is produced from the Data Warehouse.
- CORE – CCC Data: In FY 2000, CCC converted to a new general ledger system. This conversion required detailed data validation with all feeder systems. This analysis along with limited staff resources contributed to the delay in producing reports using the Data Warehouse. A dedicated Data Warehouse project team has been established to complete this project timely.
- FFIS – FSA Data: The project development and implementation phase took place in FY 2000. The data warehouse is targeted to be complete in FY 2001.
- Payment Management Data: No Activity in FY 2000.
- Debt Management Data: In FY 2000, 100% of reporting is produced from the Data Warehouse.

Description of Actions and Schedules:

CORE – CCC Data: A project team dedicated to the development of CCC Reports has been established and is currently developing reports out of the Data Warehouse. The reports have been prioritized and are scheduled to be completed as follows:

Priority One Reports:	2/28/01
Priority Two Reports:	3/31/01
Priority Three Reports:	4/30/01
Priority Four Reports:	5/31/01
Priority Five Reports:	6/30/01

Current Fiscal Year Performance:

- CORE – FSA Data: FSA met its reporting goal in FY 2000.
- CORE – CCC Data: CCC Reports Project Team is currently developing reports using the Data Warehouse. These reports are targeted for completion in June 2001. FSA is on target to meet this reporting goal.
- FFIS – FSA Data: Implementation of FFIS was completed on October 1, 2000. The Data Warehouse is set for implementation after the first quarter of FY 2001.
- Payment Management Data: FSA is on target to complete FY 2001 goal.
- Debt Management Data: FSA met its reporting goal in FY 2000.

Program Evaluations: No program evaluations were performed.

Management Initiative 4: Achieve greater cost and operating efficiencies in the delivery of Farm and Foreign Agricultural Service (FFAS) programs by implementing integrated administrative management systems and reinventing/reengineering FFAS business processes and systems.

Key Performance Goals

Install USDA Purchase Card Management System.

Cost/transaction for simplified acquisitions under \$100,000 using credit cards

Target: \$17

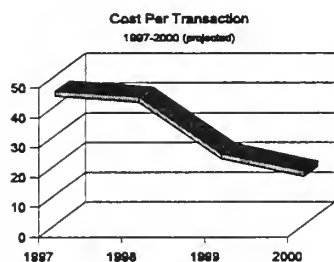
Actual: \$19.74

2000 Data: The source of the FY 2000 data shown in Table 1 is from the USDA Purchase Card Management System, which tracks the number of credit card transactions processed by the NFC. Purchase orders are tracked by USDA through the Federal Procurement Data Reporting System, a Government-wide system used for tracking procurements. There are no known limitations to this data.

Table 1

Year	# of Credit Card transactions	# of Purchase Orders (PO)*	Transaction Costs	Savings (assuming all PO's if credit card not available)
1997	7,568	2,230	$(\$34 \times 7,568) + (\$77 \times 2,230) = \$429,022$ (\$43.79/action)	\$325,424
1998	10,017	2,138	$(\$34 \times 10,017) + (\$77 \times 2,138) = \$505,204$ (\$41.56/action)	\$430,731
1999	15,566	1,666	$(\$17 \times 15,566) + (\$77 \times 1,666) = \$392,904$ (\$22.80/action)	\$996,960
2000	29,888	1,430	$(\$17 \times 29,888) + (\$77 \times 1,430) = \$618,206$ (\$19.74/action)	\$1,797,280

* The reduction in purchase order usage is more pronounced than shown here, because CCC actions cannot be done by purchase card.



Analysis of Results: The figures in Table 1 (\$34 per transaction for purchase card purchases in 1997 and 1998, \$17 per transaction for FY 1999 and FY 2000, and \$77 per transaction for all purchase orders) are provided by the departmental re-engineering study which accompanied the implementation of the purchase card system. The head of the purchase card implementation team confirms that the data are still viable, but that a reexamination of the figures will be undertaken in the future. The data shows a continuing trend to increased usage of the purchase card, a reduction in purchase order actions, and continued savings to the Government by implementation of the purchase card system. In addition, there is the unquantifiable reduction in cost brought about by the fact that the purchase card contractor makes payment to the vendors, thus reducing

the NFC workload.

Description of Actions and Schedules: FSA continues to encourage the use of the purchase card, is issuing new cards, and providing user training on a regular basis. Meeting the target entails encouraging all FSA personnel to use the purchase card whenever possible. However, FSA has not made card use mandatory due to varying levels of acceptance of the card among Agency personnel.

Current Fiscal Year Performance: FSA is continuing to implement the purchase card system in FY 2001. The \$17 figure assumes perfect penetration of card usage; this target is probably not totally achievable but represents a goal to work towards.

Program Evaluations: FSA monitors the purchase card/purchase order data through the USDA Purchase Card Management System to ensure that the savings detailed above continue to accrue to USDA. The usage of the card is available in real time, with cumulative totals and specific period totals generated in a variety of report formats. Also, FSA officials and OIG representatives are continuously auditing the use of the card.

Meet Small Business goals under the Procurement Preference Plan for the distribution of contract dollars to various classes of contractors. (%)

8(a) Companies:	Target - 23%	Actual - 5.23%
Small Disadvantaged Business:	Target - 9%	Actual - 19.78%
Small Businesses (inclusive):	Target - 42%	Actual - 37.27%
Women-Owned Businesses:	Target - 8%	Actual - 2.42%
JWOD (Blind and handicapped):	Target - 2%	Actual - 0.934%

2000 Data: Data for the distribution of contract dollars to various classes of contractors comes from the Federal Procurement Data System.

Analysis of Results: FSA did not meet the FY 2000 procurement preference goals established. This can be attributed to the large number of small purchases now being made by program officials using credit cards. Credit card purchases are not reflected in the results. Additionally, the graduation of a major 8(a) contractor from the 8(a) program negatively impacted results.

Descriptions of Actions and Schedules: FSA has identified a new 8(a) firm to replace the one that graduated, and USDA's Office of Small and Disadvantaged Business Utilization is currently reviewing all actions over \$100,000 to identify possible small business opportunities.

Current Fiscal Year Performance: FSA anticipates accomplishing the FY 2001 performance targets.

Program Evaluations: None conducted in FY 2000.

Provide electronic forms via Internet Based Systems to all FSA employees and external customers.

Target:	50%
Actual:	Customer Forms = 50%; Employee Forms = 5.2%

2000 Data: The data is final and based on the number of forms that are candidates for online use by the public and employees and the percentage completed during the fiscal year for each group of users.

Limitations on the data accuracy are impacted by changes in legislation, internal procedure and policy that require the creation of new forms or elimination of existing forms. Consequently, the number of forms that is compatible for Internet based access is not static. Performance goals are based on the eligible forms existing at the time the goal was set.

Component parts of the data consist of forms used by the public and employees:

- the number of forms that are information collections from the public that are conducive for completion online by the public with written instructions = 94 with 47 completed = 50%;
- the number of program and administrative forms used by employees that are conducive for completion online = 900 with 47 completed = 5.2%

Analysis of Results: A common Internet interface for e-commerce services was developed for customers of FSA, Rural Development, and NRCS. The effort to plan, develop, and deliver the web site was a joint effort by agencies serving the agricultural producer. The eForms application is the first service to be deployed as a joint effort on the

eCommerce site. Customer completed forms for deployment on the Internet were selected if they did not require extensive interaction between the customer and the Service Center staff.

Descriptions of Actions and Schedules: The goal for converting employee forms to a common format that is Intranet accessible will be met in FY 2001. The emphasis in FY 2000 was placed on delivering forms in a common format for the public, rather than employees. Employees have access to over 900 files in various formats and the goal for FY 2001 is to move to one common format. Contractor services to convert files will be acquired to complete the conversion process.

Current Fiscal Year Performance: The Agency is on target to achieve the current FY 2001 performance goal.

Program Evaluations: GAO monitored the progress of FSA, Rural Development, and NRCS efforts to complete the common eForms site according to the requirements accepted by the Office of Management and Budget and by the deadline mandated by the Freedom to E-File Act.

Ensure there is no disruption of service in the year 2000 because of invalid date computations for FSA mission critical information technology systems.

System downtime caused by interface failures between mainframe commercial off-the-shelf software and application software does not exceed baseline downtime averages (%)

Target: 1%

Actual: 0%

Recovery procedures defined in FSA's Business Continuity (Contingency) Plan are executed such that implementation does not exceed defined time frames (% deviation)

Target: 20

Actual: 0

2000 Data: Performance measure #1 is intended to track mainframe system service interruptions caused by Y2K related failures between commercial off-the-shelf utility software and customized Agency software applications. This performance measure is monitored through published mainframe service level reports prepared by the National Information Technology Center.

Regarding the second performance measure, for each software application, a maximum time frame for down time following a Y2K abort/problem was identified and published in the FSA Business Continuity (Contingency) Plan. If a software application remained inoperable after that maximum down time, contingency procedures (such as manual activities) were to be activated. All FSA software applications continued to operate. No down time occurred. Reports of successful continued operation were forwarded to the Department's Y2K Command Center.

Analysis of Results: In FY 2000 there were zero incidences of mainframe downtime caused by, or attributed to, Y2K related failures. FSA's FY 1999 Annual Program Performance Report contained a detailed discussion of its effective efforts to ensure there were no year 2000 system failures.

To avoid any business disruption on January 1, 2000, FSA completed Business Continuity Planning efforts, including a Day 1 Strategy, to provide guidance and direction to all FSA managers and staff regarding actions to be taken in the event of disruptions to normal business operations due to the impact of the millennium date change.

With Business Continuity Planning, FSA avoided a crisis that could have resulted if systems were unable to recognize year 2000 dates. Resources critical to operating our core business processes and key support processes were identified to provide a basic level of services until the normal level of services could be restored to all customers, should that situation occur. The Business Continuity Planning identified risks and threats, established mitigation strategies for the identified risks and threats, and provided contingencies in the event risk mitigation efforts failed.

On January 1, 2000, IT staff conducted actual production tests of all mission critical applications systems and reported the results to the FSA Y2K Command Center. All tests were successful. All of FSA's mission-critical systems were operational, and no failures were reported. The Y2K project is considered final and complete.

Current Fiscal Year Performance: No additional action is required during FY 2001, other than awareness that any date problem encountered could be a potential Y2K-related problem. To date, none have been reported. As stated above, the Y2K project is considered closed.

Program Evaluations: FSA continues the awareness of the potential of Y2K processing problems, but none have occurred to date. Previous evaluations were described in the FY 1999 Annual Program Performance Report, including specific OIG and GAO audit reports and an independent validation of FSA's most critical systems.

Management Initiative 5: Expand the USDA Certified State Mediation Program to more efficiently and effectively resolve program disputes.

Key Performance Goals

Expand the Certified State Mediation Program.

Authorized USDA agencies utilizing the USDA Certified State Mediation Program

Target: 5

Actual: 5

States with certified mediation programs that meet the needs of participating USDA agencies

Target: 24

Actual: 25

2000 Data: Data regarding the number of USDA agencies utilizing the Certified State Mediation Program and the number of States with certified mediation programs is maintained by the FSA Mediation Program Director.

Analysis of Results: Rural Development was authorized by the Secretary of Agriculture to use the program to mediate rural housing and rural business disputes. This increases the number of agency's participating in the program to five.

In FY 2000, New Jersey received USDA certification of their State's agricultural mediation programs, increasing the number of USDA certified states to 25. States participating in the USDA Certified State Mediation Program for FY 2000 are Alabama, Arizona, Arkansas, Florida, Illinois, Indiana, Idaho, Iowa, Kansas, Maryland, Minnesota, Michigan, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, Washington, Wisconsin, and Wyoming.

The FY 2000 Appropriation Act provided \$3 million for mediation grants. States participating in the mediation program in FY 2000 requested \$3,894,668 in matching grant funds. These mediation grant requests were prorated at 77 percent to give all States the same percentage of available grant funds. This funding level made it difficult to recruit additional States into the mediation program. States participating in the FY 2000 mediation program budgeted over \$1.8 million as their match for the USDA mediation matching grant program.

Current Fiscal Year Performance: FSA anticipates accomplishing the FY 2001 target.

Program Evaluations: The National Association of State Departments of Agriculture (NASDA) supports the expansion of agricultural mediation. Last fiscal year, NASDA reported that funding of the State Certified Agricultural Mediation Programs was more important than ever, and urged the expansion of mediation to include other Federal agencies which play a role in land and resource management, including the Department of Interior and the Army Corps of Engineers. FSA worked with Senator Tim Johnson's staff in preparing Senate Bill S.2741. This bill was passed, thereby reauthorizing the Agricultural Mediation Program. The legislation clarified that

grant funds can be used for farm credit cases and for other USDA program disputes, and that mediation services can include counseling.

Increase the level of agreements reached through mediation by 2.63% over the baseline year.

Cases resolved with agreements through State Mediation Programs

Target: 70%

Actual: 72%

Reduce the average administrative costs per case of State programs by 4.1%.

Administrative cost per case mediated by State programs

Target: \$658

Actual: \$641

Year	Total Number of Mediation Cases	Total Number of Mediation Agreements	Rate of New Mediation Agreements	Target
1998	3023	2297	76%	75%
1999	4,140	2,898	70%	77%
2000	4,673	3,411	72%	70%

Year	Total Number of Mediation Cases	Total Cost of Mediation	Cost Per Mediation Case	Target
1998	3,023	\$2,000,000	\$628	\$662
1999	4,140	\$2,000,000	\$504	\$615
2000	4,673	3,894,668	\$641	\$658

2000 Data: The data comes from annual reports submitted by Certified State Mediation Programs. Certified State Mediation Programs must comply with the standards for financial management and reporting found in 7 CFR, Parts 3015 and 3016, and provide an annual report on the effectiveness of the programs. The Coalition of Agricultural Mediation Programs Data Collections Steering Committee continues to help FSA fine tune the data collection process, among the committee, the national office, and individual States. Additionally, FSA is working with the Department's Conflict Prevention and Resolution Center to develop a more uniform information collection procedure for Certified State Mediation Programs and to measure program benefits and effectiveness.

Analysis of Results: The total number of mediation clients increased from 4,140 in FY 1999 to 4,673 in FY 2000. The total number of agreements or resolutions increased from 2,898 in FY 1999 to 3,411 in FY 2000. The rate of agreements increased from 70% in FY 1999 to 72% in FY 2000, exceeding the target of 70%. State mediation program administrators report the resolution rate for credit issues is generally higher than non credit issues.

The average cost per mediation case in FY 2000 was \$641, which was 2.6% below the \$658 target established. This result is significant because on average, cases are becoming more and more complex as the trend toward larger, more complicated operations, often involving several agencies continues. Additionally, costs for mediation services continue to rise, partly because of additional training required to become knowledgeable in other program areas now covered by this program. Mediation remains a cost-effective alternative to traditional litigation and appeals.

Current Fiscal Year Performance: FSA anticipates meeting the FY 2001 targets established.

Program Evaluations: Please see "Program Evaluation" section on page 36.

Performance Data Reported as Preliminary in the FY 1999 Annual Program Performance Report

Issue loans or LDPs on eligible production, by commodity (except sugar), when loan rates exceed market prices. (%)
(Baseline: 10% - FY 1997)

Target: 67%

Actual: 80% (Wheat, Corn, Barley, Oats, and Soybeans)
 98% (Upland cotton)

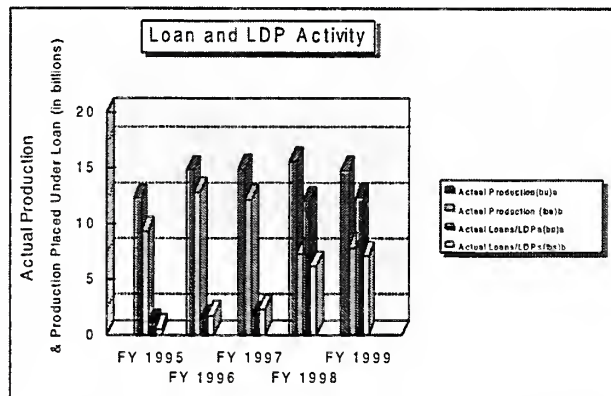
1999 Data: The actual loan/LDP data originates from the service centers. Data is uploaded to an automated system at KCITSDO daily. Data on actual commodity production is provided by the National Agricultural Statistics Service.

Year	Actual Production	Actual Loans/LDPs	Actual	Target
1995	12,277,483,000 bu. ^a 9,344,662,600 lbs. ^b	981,173,790 bu. ^a 543,655,473 lbs. ^b	8% 6%	
1996	14,844,373,000 bu. ^a 12,889,450,000 lbs. ^b	1,377,105,313 bu. ^a 1,772,864,000 lbs. ^b	9% 14%	
1997	14,904,172,000 bu. ^a 12,151,170,000 lbs. ^b	1,680,031,810 bu. ^a 2,260,109,630 lbs. ^b	11% 19%	
1998	15,587,829,000 bu. ^a 7,341,582,100 lbs. ^b	12,032,577,410 bu. ^a 6,250,035,400 lbs. ^b	77% 85%	
1999	14,809,593,000 bu. ^a 8,074,560,000 lbs. ^b	12,305,641,060 bu. ^a 7,108,651,200 lbs. ^b	80% 98%	67% 67%

^aWheat, Corn, Barley, Oats, and Soybeans ^bUpland cotton

Note: There was no LDP activity on these commodities in FY 1995-96.

Analysis of Results: The percentage of actual production placed under loan, or on which a LDP was disbursed, increased from 11 percent in 1997 to 80 percent in 1999 for wheat, corn, barley, oats and soybeans, and from 19 percent in 1997 to 98 percent in 1999 for upland cotton. This increase was largely due to extremely poor market prices for those commodities. Because such a large percentage of the actual production was funneled through the marketing assistance loan and LDP programs, it is apparent that producers are aware of the program benefits, and are using the programs to obtain some relief from the depressed market conditions. The restrictions on eligible commodities were also significantly relaxed in late 1998, which made poor quality grain, contaminated grain, and commodities harvested as other than grain eligible for loans and LDPs. Also, changes mandated by Congress in Public Law 106-78 increased the payment limitation and effectively suspended the beneficial interest requirements for 1999.



Maintain the economic viability of the tobacco program and producers by establishing producer/purchaser assessments and stabilizing tobacco prices.

Average Price per Pound of Tobacco

Target: \$1.70/lb.

Actual: \$1.81/lb.

Average price per pound of tobacco received by farmers:

Average price received by farmers	1995	1996	1997	1998	1999
Flue-cured tobacco	\$ 1.716	\$ 1.730	\$ 1.739	\$ 1.756	\$ 1.750
Burley tobacco	\$ 1.824	\$ 1.837	\$ 1.866	\$ 1.881	\$ 1.903

1999 Data: The average price reported is the weighted average of flue-cured and burley tobacco, which account for approximately 90% of U.S. tobacco production.

TPD receives daily, weekly, and year-end market news summary reports from AMS, which collects and disseminates tobacco price data on a daily basis during the marketing of each kind of tobacco that receives price support. During the marketing seasons, these reports enable TPD to identify the quantity of tobacco being placed under price support loan, marketed, or introduced into the trade. These reports also enable it to compare average market prices to price support loan rates established by the Secretary. TPD verifies actual loan receipts through the tobacco cooperatives.

Analysis of Results: The average price reported for FY 1999, \$1.81, is higher than the loan rate, resulting in increased producer income and decreased loan inventories, which reduces expenses associated with the operation of the tobacco price support program. The cost savings is then passed to tobacco producers/purchasers in the form of lower tobacco assessments.

Increase the percentage of on-time deliveries and shipments for domestic multi-food processed commodities purchased to 95%.

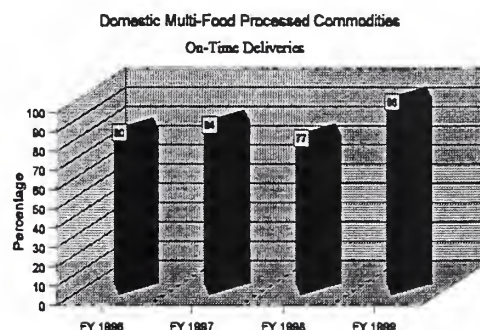
Target: 95%

Actual: 96%

FY	Total number of Deliveries	Number of On-time Deliveries	On-time Delivery Percentage	Target
1996*	n/a	n/a	80%	
1997	1,861	1,561	84%	
1998	2,083	1,616	77%	
1999	1,453	1,384	96%	95%

* 1996 information unavailable at this time.

1999 Data: Vendors self-certify the delivery date on a forwarding notice sent to FSA which is input daily into the Processed Commodity Inventory Management System. FSA verifies and validates the data through two methods. First, as a regular part of the Total Quality Systems Audits, vendor delivery records are checked and compared to reported delivery dates. Second, FSA conducts random checks of warehouse logs and compares the information with FSA's copy of the forwarding notice.



Analysis of Results: The target was met. FSA's customers have stated that 100% on-time delivery is a critical issue to them. Moving from 80% on-time delivery in FY 1996 to 96% in FY 1999 is a significant improvement. FSA's current rate of 96% is substantially closer to meeting customer expectations. FSA accomplished the improvement by entering into two long-term contracts with Americold Services Corporation in Carthage, MO, and CCWS in Visalia, CA. In conjunction with the new contracts, the primary storage facilities for the multi-food program moved from Kansas City, KS, to Carthage, MO, and relocated from Exeter, CA, to Visalia, CA. The new facility and transportation suppliers have invested heavily in state-of-the-art technology that enables them to track multi-food shipments throughout the nation. Additionally, more emphasis is being placed on ensuring shipments go out on time and remain on schedule.

Increase the number of program and employee complaints processed on time.

Average number of days to process informal employment complaints (90 day Department guideline)

Target: 60

Actual: 52.5

1999 Data: The data is compiled by an in-house tracking system, compared with the complaint intake form, input into the system, and validated. Limitations would be due to human errors, such as inaccurate information provided by the counselor or data input errors. The complaint intake form was modified in November 1999 to mitigate errors. Data is reviewed by management, input daily, and reports are prepared weekly, monthly, and quarterly.

Analysis of Results: FSA achieved the goal of processing informal complaints within the allotted timeframe. FSA instituted the Early Resolution Program to quickly address employee disputes. The program provides an opportunity for the employee to be heard quickly, take ownership of any resolution obtained, and most importantly, preserve relationships.

Obtain an unqualified audit opinion on CCC Financial Statements (Yes/No):

Target: Yes

Actual: No

1999 Data: Performance data comes from the USDA OIG annual audit of the CCC financial statements.

Analysis of Results: CCC received a qualified opinion on its FY 1999 financial statements because the Corporation was not able to provide sufficient and competent evidential matter, within the timeframes provided by the Department, to substantiate CCC's financial statements and footnote disclosure related to direct credits, credit guarantees, and subsidy costs.

Despite receiving the qualified opinion, the FY 1999 audit opinion reflected an improvement over the prior year, demonstrating CCC's commitment to continue to address and resolve outstanding issues. Some of the extenuating circumstances which hindered CCC in FY 1999 included: limited resources due to high staff turnover; conversion to a new accounting system and lack of integration of CCC's foreign credit subsidiary system into the CORE accounting system; absence of a sound financial management system; use of manual processes for computing estimates and re-estimates; and lack of appropriate reconciliations and oversight of accounting entries.

FOREIGN AGRICULTURAL SERVICE

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT TO CONGRESS

Mission: FAS serves U.S. agriculture's international interests by expanding export opportunities for U.S. agricultural, fish, and forest products and promoting world food security.

This FY 2000 Annual Performance Report (APR) is based upon and in alignment with the FY 2000 Revised Annual Performance Plan (APP).

FAS administers the following programs and activities:

- Market Access Barrier Reduction
- Foreign Import Regulations Service
- Foreign Market Development Program (FMD)
- Export Credit Guarantee Programs (GSM)
 - GSM-103/103 Programs
 - Supplier Credit Guarantee Program
 - Facilities Financing Guarantee Program
- Cochran Fellowship Program
- Professional Development Program
- P.L. 480 Title I Food Assistance Program
- Food for Progress Program
- Export Sales Reporting Program
- Refined Sugar Re-Export Program
- Production of Polyhydric Alcohol Sugar Program
- WTO Notification Alerts
- Market Access Program (MAP)
- Market Intelligence Services
- Dairy Export Incentive Program (DEIP)
- Export Enhancement Program (EEP)
- Research and Scientific Exchanges
- Trade and Investment Program
- Section 416(b) Foreign Donations
- Emerging Markets Program
- Sugar-Containing Products Re-Export Program
- U.S. Dairy Import Program
- Ag Export Connections
- Trade Assistance and Promotion Office

Additional information about FAS is contained in the published Strategic and Annual Performance Plans and like those plans, this report was produced solely by FAS employees.

The following table is a performance summary depicting performance goal achievements that are linked to the Agency's goals and objectives:

FOREIGN AGRICULTURAL SERVICE PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance		
		FY 1999 Actual	FY 2000 Target	FY 2000 Actual
Goal 1: Expand export opportunities for U.S. agricultural, fish, and forest products. FAS' standard of success is set at reaching 22 percent of the international agricultural export market by the year 2010. FY 2000 Target: n/a Actual: 18.2% (preliminary- first year baseline number)	Estimated trade opportunities preserved annually by assuring implementation of existing trade agreements by signatory countries through the WTO notification process (\$Mil.)	\$1995	\$2,000	\$837.43
	Estimated trade opportunities preserved annually through development of trade-appropriate guidelines, recommendations, and standards in international organizations (\$Mil.)	\$5000	\$5,000	\$313
	Gross trade value of markets created, expanded or retained annually due to market access activities (other than WTO notifications and/or standards) (\$Mil.)	\$2,567	\$2,000	\$4,349.2
	Percent of successfully defended NAFTA/WTO legal challenges of U.S. compliance with regional and multilateral agricultural trade commitments	100%	100%	0%
	Percent completion of regional and multilateral trade rules to minimize/eliminate trade-distorting practices			
	* WTO (% of Seattle Round negotiation completed)	10%	25%	25%
	* APEC (% of EVSL negotiation completed)	50%	60%	65%
	* FTAA (% of negotiation completed)	2%	10%	10%
	Level of agricultural, fish and forestry exports resulting from Unified Export Strategy (UES) program participants market development activities (MAP & FMD)	—	—	—
	Number of FAS program participants that improve their strategic planning process	33	14	26
	Cumulative number of organizations that have coordinated at least one activity with another participant in the UES process	38	44	48
	Average ratio of industry contribution to program funds expended	77%	80%	96%
	Number of foreign market constraints (other than trade policy) addressed annually through UES	1,510	1,510	1,565
	Number of small businesses budgeted for MAP activities (individually through the Branded program and within Cooperator organizations)	558	558	507(p)
	Direct sales reported by U.S. participants at international trade shows (\$Mil)	\$314.9	\$250	\$367.3
	Direct sales reported by U.S. participants based on marketing services of AgExport Connections (trade leads, Buyer Alerts, importer lists) (\$Mil)	\$110.3	\$100	\$61.5
	Direct sales reported by U.S. participants at attache-sponsored events (AMP activities) (\$Mil)	\$18	\$10	\$12.52
	Percent of external customers who rate FAS market intelligence as important or essential to their businesses; and	—	—	—
	Percent of internal stakeholders who rate FAS market intelligence as important or essential to their work	—	—	—
	Percent of FAS circulars that are complete, meet scheduled release dates, and contain no data errors	98.3%	95%	100%
	Number of average daily user sessions accessing FAS home page over the internet by non-FAS users	2,979	3,500	4,600
	Forecasting reliability of WASDE projections (Avg percent reliable: difference between February projection and final estimates for wheat, corn, rice, soybeans, and cotton)			
	World exports	95.62%	95.95%	96.21%
	U.S. exports	95.96%	93.90%	95.69%
	Foreign (non-U.S.) production	98.36%	95.00%	98.98%

FOREIGN AGRICULTURAL SERVICE PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance		
		FY 1999 Actual	FY 2000 Target	FY 2000 Actual
	Number of countries assessed in FY 1999 for Y2K readiness in the international food supply sector and monitored in FY 2000	81	75	160
	U.S. agricultural exports supported by GSM export programs (GSM-102/103, Supplier Credit, and Facilities Financing Guarantee programs) (\$Mil. registered)	\$3,045	\$3,787	\$3,082
	U.S. agricultural exports supported by Subsidy Programs (EEP and DEIP) (\$Mil.)	\$340	\$250	\$261
	Annual number of GSM programs analyzed for market opportunities and risk	56	54	56
	Assuring Commercial Program Integrity: Percent of identified administrative actions resolved (e.g., for nonperformance, suspensions and disbarments, etc.).	92.4%	77%	73%
Goal 2: Promote world food security. Success is measured by the level of achievement towards the World Food Summit target of reducing the 1996 estimate of 841 million undernourished people by half (420 million) by 2015. FY 2000 Target: 20 mil Actual: 8 mil (FAO estimate)	Reduce food insecurity in 10 index countries by an average of 50% by 2015. (Index countries have been selected from the list of the 66 countries as estimated in the USDA Economic Research Service "Food Security Assessment Report".)	---	---	---
	Direct resources in support of agricultural related issues within the 7 priority strategies in the <u>U.S. Action Plan on Food Security</u> (\$Mil.)	\$39.9	\$46.0	\$53.8
	Contributions (in kind and direct financial by non federal government sources) to total funds expended upon the 7 priority strategies in the <u>U.S. Action Plan on Food Security</u>	8.6%	9.0%	9.6%
	Number of research, training, and technical assistance activities that promote sustainable agricultural development worldwide and agribusiness and trade facilitation (e.g., nutrition, food aid coordination, SPS, food safety, and biotechnology) in emerging markets	789	823	967
	Number of agricultural development and environment agreements negotiated, implemented or monitored.	7	7	6
	Number of U.S. citizens assisted in obtaining senior management positions in international organizations representing agricultural interests	11	10	8
	U.S. agricultural exports supporting world food security:			
	o P.L. 480, Title I (\$Mil.)	\$656.2	\$227.9	\$302.1
	o CCC-funded Food for Progress (\$Mil.)	\$71.9	\$100.7	\$68.5
	o Section 416(b) (\$Mil.)	\$793.6	\$139.7	\$501.5
MI 1: Provide fair and equal treatment in agency employment and the delivery of FAS programs	Number of food aid agreements signed (Title I, Food for Progress, Section 416(b))	123	90	91
	Percent of P.L. 480 Title I and Food for Progress program allocated to support expanded private sector activities in recipient countries	15%	13%	20%
	Number of Food for Progress and Section 416(b) agreements monitored and evaluated	159	189	250
	Implement Civil Rights Implementation Team (CRIT) recommendations:	---	---	---
	Administer Civil Rights Program Delivery Plan focused on increasing the involvement of minority organizations and universities.	60%	75%	75%
	Implement Conflict Management Policy and Procedures and train all managers (CRIT 3.3)	50%	100%	87%
	Develop Agency Workforce Plans and implement Human Resources Evaluation Program, Worklife Survey, and Exit Interviews (CRIT 3.5)	60%	80%	100%
	Implement Competency-based Management Training and complete Peer Surveys (CRIT 3.6)	0%	50%	0%

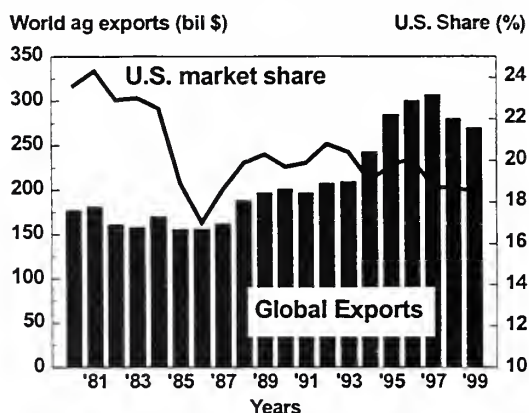
FOREIGN AGRICULTURAL SERVICE PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance		
		FY 1999 Actual	FY 2000 Target	FY 2000 Actual
	Provide Civil Rights Training to all employees (CRIT 4.1)	95%	100%	10%
	Percent of managers who have had 80 or more hours of management/leadership training (FAS Goal is that 90% of its managers will have had 80 or more hours of Management/Leadership training by 2007).	29.6%	40%	40.7%

Goal 1: Expand export opportunities for U.S. agricultural, fish, and forest products. FAS' standard of success is set at reaching 22 percent of the international agricultural export market by the year 2010.

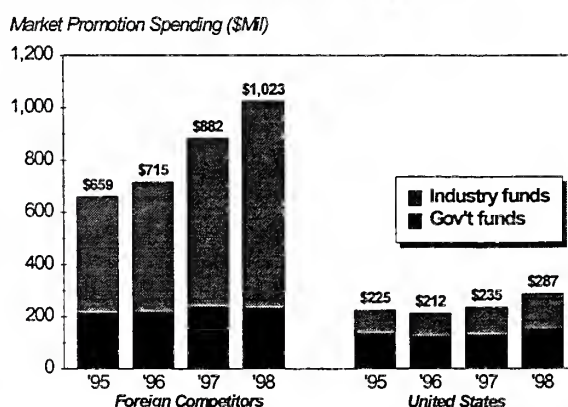
2000 Data: The quality and reliability of the U.S. percentage share of international agricultural trade is generally reliable. Data is based on established trade data systems. FAS uses a consistent approach to calculate this measure and adjusts the results periodically as more current information is added to the trade systems.

Analysis of Results: Expanding market opportunities for U.S. agriculture is central to USDA's goal of improving the economic livelihood of farmers, ranchers, and processors. Given that 96% of American agriculture's potential customers reside outside the Nation's borders, international trade presents an immense opportunity to strengthen the U.S. farm economy. Yet, in recent years, global agricultural markets have grown far more competitive. The U.S. share of foreign agriculture imports has dropped from 24 percent to 18 percent since 1980 -- while at the same time foreign import demand, due in part to trade liberalization, has doubled. The value of U.S. exports lost due to a 6 percent decline in market share is worth nearly \$15 billion per year. As our market share declined over the past 20 years, between 1981 and 2000, the commutative loss to the U.S. economy in agricultural exports has reached at least \$135 billion to the U.S. economy and some \$34 billion in direct farm income.

U.S. Share of World Agricultural Trade



Competitors' vs U.S. Investment in Market Promotion Support



It is not enough to simply open market opportunities. U.S. agricultural producers and processors should actually capture a competitive share of the opportunities made available. Results-oriented foreign governments and their agricultural industry have almost doubled their market development funding over the past 5 years -- reflecting the trend in world-wide trade liberalization, while the commitment from the U.S. government and U.S. companies have remained essentially flat-lined. Best estimates from 1998 have foreign competitors investing approximately \$700 million more in market development activities than

the U.S. The obvious result is that these competitors are eating away at U.S. agriculture's market share and making clear the need for increased commitment to market development. Trade liberalization opens potential export markets but U.S. agriculture must be aware of, ready, and able to seize, the opportunities through more USDA domestic outreach and assisting U.S. agriculture in seizing market opportunities.

Objective 1.1: Open, maintain, and expand foreign market access for U.S. agricultural, fish, and forest products.

Key Performance Goals

Estimated trade opportunities preserved annually by assuring implementation of existing trade agreements by signatory countries through the WTO notification process (\$Mil.)

Target: \$2,000.0

Actual: \$837.43

Estimated trade opportunities preserved annually through development of trade-appropriate guidelines, recommendations, and standards in international organizations (\$Mil.)

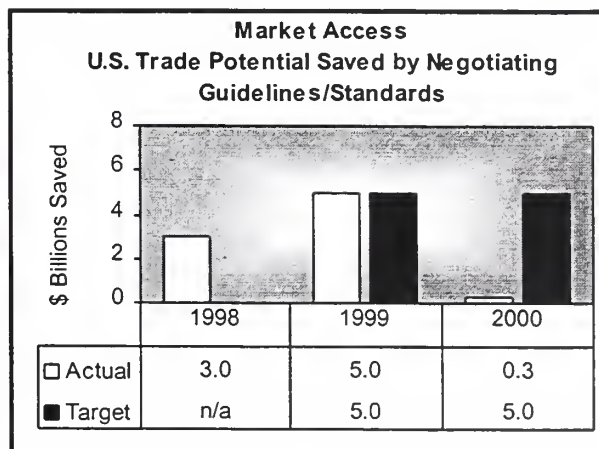
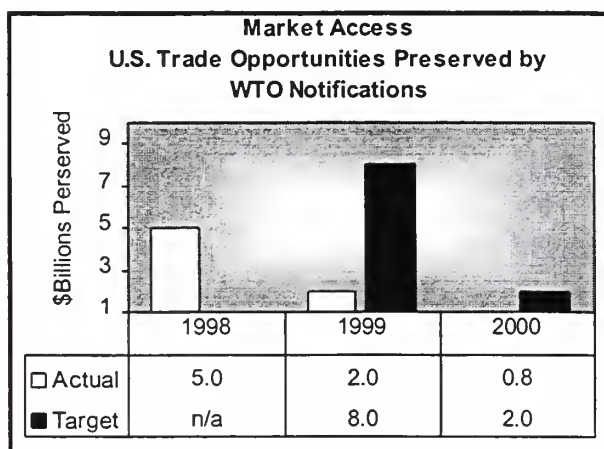
Target: \$5,000.0

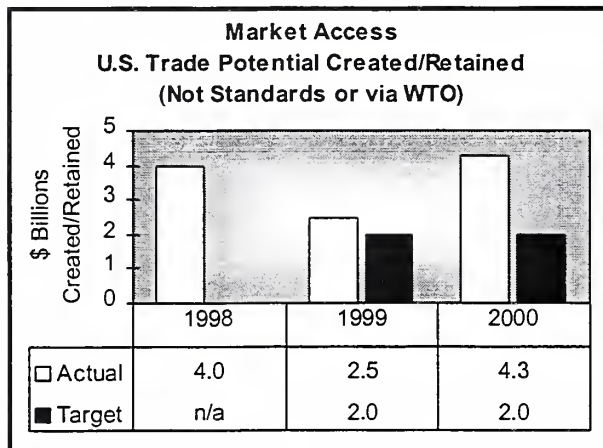
Actual: \$ 313.0

Gross trade value of markets created, expanded or retained annually due to market access activities (other than WTO notifications and/or standards) (\$Mil.)

Target: \$2,000.0

Actual: \$4,349.19





2000 Data: Data for these measures are reliable. FAS' International Trade Policy (ITP) Program Area used past trade figures for trade retention reports. In some cases, information on the actual values of shipments obtained directly from U.S. exporters was used. For tracking tariff rate quotas (TRQ's), values of current trade were applied. It is understood that the measured performance data reflecting potential export markets are by nature "not guaranteed" and may be arguable among economists. Nevertheless they are very significant and will be estimated as they occur using a systematic approach designed to avoid overstatement.

Analysis of Results: Looking at all three key performance goals for market access, FAS reached 61% of its \$9.0 billion combined performance target. FAS established these targets based upon recent trends and projected workload. However, in order for FAS to reach those targets, other countries have to submit their notifications to the World Trade Organization (WTO) stating their intent to change their regulations. Additionally, countries need to participate in and conclude negotiations on trade guidelines and standards. Many of these negotiations were not concluded in FY 2000 and will have a spill-over effect on FY 2001 results. Additionally, many countries limited their involvement in these standard setting bodies and in the submission of notifications since their workload had increased as they prepared for the next round of WTO negotiations. It is unlikely that U.S. agriculture was significantly harmed by these delays since the majority of these issues attempt to limit access to exporting to specific countries. In other words, postponing the implementation of some of these notifications and standards helps keep U.S. products flowing into these countries.

FAS can report only \$837 million in preserved U.S. trade opportunities, compared to its \$2 billion performance target, through its activities related to the WTO Notifications Process. The fact that FAS missed its target so widely is due to two important factors to our success in this international arena. First, not within the control of FAS is the number of WTO notifications by members to change import policies and the potential impact on U.S. access to a market for each notification can vary substantially from year to year. Secondly, every year, as the number WTO members and trade issues have risen, WTO notifications have increased as well. Between June 1999 and March 2000, some 600 notifications were submitted by WTO members.

Ideally, the U.S. ought to evaluate each notification for any negative effect on U.S. trade or export opportunities, and attempt to preserve open markets for the U.S. This is not possible with the limited resources available to FAS at this time. FAS follows a process designed to filter out the notifications with the largest potential impacts on the U.S., and address as many as possible. Out of 600 notifications, FAS resources in FY 2000 allowed only the top 73 notifications to be evaluated for trade impact value to the U.S. and to engage the foreign country with official Letters of Concern, requests to abate the intended trade policy change, and in some cases initiate negotiations. This is a labor intensive activity as even a Letter of Concern requires a working knowledge of the country's underlying concerns and outward technical issues.

It is unclear how many of the 73 addressed notifications were fully or partially successful. However, FAS was able to verify retained trade access equal to \$837 million. Additional successes, and trade value to the U.S. are likely to have occurred but verification requires follow up and investigating each notification. FAS's limited resources were balanced between addressing trade barriers and verifying success.

FAS can report only \$313 million of its \$5 billion performance target of preserving U.S. export opportunities through the development of trade guidelines, recommendations, and standards within

international organizations due to the high degree of variability and unpredictable timing of specific new policies being notified for review in the WTO and other standard setting bodies.

FAS did not meet its performance target of 100 percent success rate for defending the U.S. in legal compliance challenges under NAFTA and WTO. This is explained by the fact that the United States lost the one WTO dispute settlement case affecting agricultural commitments which was concluded during FY2000. This was the case on Foreign Sales Corporations. However, FAS helped ensure that the part of the ruling which pertained to the Agreement on Agriculture was corrected on appeal so as to reaffirm our interpretation of the export subsidy provisions of that agreement.

On the broader market access front, negotiations continue to liberalize international agricultural trade and expand U.S. agriculture's access to overseas markets. USDA is working closely with the U.S. Trade Representative's office to achieve trade reforms that ensure fairness and improve access to global markets for U.S. farmers and ranchers. In June 2000, the United States tabled an aggressive and comprehensive proposal, establishing a framework for the new agriculture negotiations. This proposal called for substantial reductions in tariffs, the elimination of export subsidies, and the simplification and reduction in disparities in domestic support. It also included provisions addressing special treatment for developing countries, food security, and sectoral initiatives. In tabling its comprehensive proposal, the United States took an important step towards setting the agenda for these negotiations in a way that will enable us to achieve a more open, stable, and prosperous world agricultural trading system, one which offers more opportunity to farm families in America; fairness for farmers in the developing world; and better prices and choice for consumers everywhere. Negotiations also are continuing to establish a Free Trade Area of the Americas by 2005. Among other things, the agricultural objectives for these negotiations include the elimination of export subsidies that affect trade in the Western Hemisphere.

To be successful in these multilateral negotiations, FAS initiated in FY 2000 a sustained effort to engage the developing world in the development and implementation of appropriate trading rules and guidelines. The challenge is to explore intensively all opportunities — bilateral, regional, and multilateral — to forge consensus with this group of countries on issues of common interest. This undertaking will be very labor- and time-intensive, but worth the investment if we desire to move the U.S. global trade liberalization strategy forward. The importance of this alliance cannot be underestimated because these countries represent our future growth markets. Moreover, if trade liberalization is to occur in multinational bodies such as the World Trade Organization (WTO), the views and issues of concern to developing countries, which make up the vast majority of the membership, can no longer be ignored. Another initiative begun in FY 2000 addressed the closely related challenge of the growing cacophony over food safety and biotechnology issues (e.g., Starlink). It is imperative that we find a way to better coordinate these issues both within our own borders, and with our trading partners. We simply cannot meet the food security challenge of feeding a burgeoning worldwide population without biotechnology. Education and outreach to key customers, partners, and stakeholders will be critical to successfully managing the growing number of bilateral, regional, and multilateral food safety and biotechnology issues.

Description of Actions and Schedules: As stated above, many of the negotiations that should have been concluded in FY 2000 were not. There are numerous external factors for why negotiations are not concluded as planned. Given that the United States is but one country at the table, FAS does not have the authority to ensure that negotiations are concluded as planned. Also as stated above, many of the negotiations that were planned to conclude in FY 2000 were concluded in the first quarter FY 2001 and the results will be reflected in the FY 2001 APR.

Current Fiscal Year Performance: Given current fiscal year's budget, staff resources, and ever increasing workload demands, FAS is fairly optimistic in reaching its FY 2001.

Program Evaluations: No formal evaluations were completed in FY 2000.

Objective 1.2: In cooperation with private industry partners, identify and develop new export opportunities and assist the U.S. agricultural sector in responding effectively.

Key Performance Goal

Level of agricultural, fish and forestry exports resulting from Unified Export Strategy (UES) program participant's market development activities (MAP & FMD):

Number of FAS program participants that improved their strategic planning process

Target: 14

Actual: 26

Cumulative number of organizations that have coordinated at least one activity with another participant in the UES process

Target: 44

Actual: 48

Average ratio of industry contribution to program funds expended

Target: 80%

Actual: 96%

Number of foreign market constraints (other than trade policy) addressed annually through UES

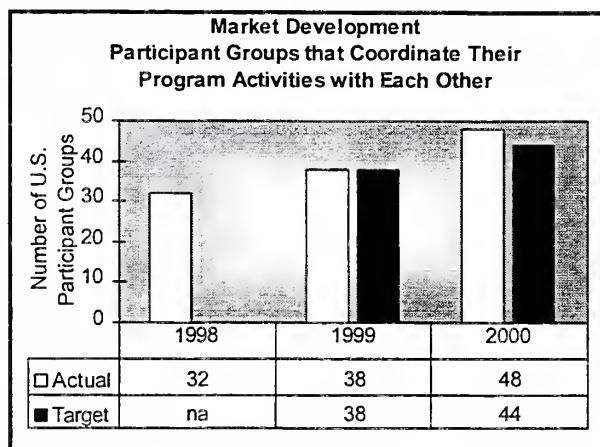
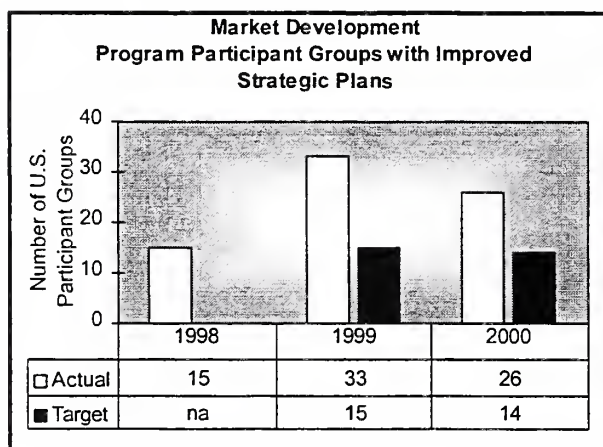
Target: 1,510

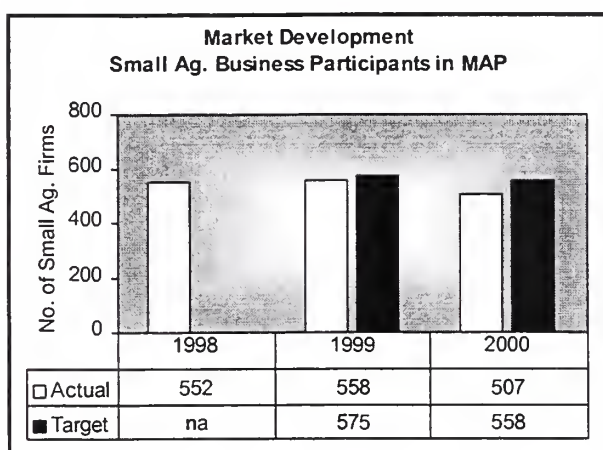
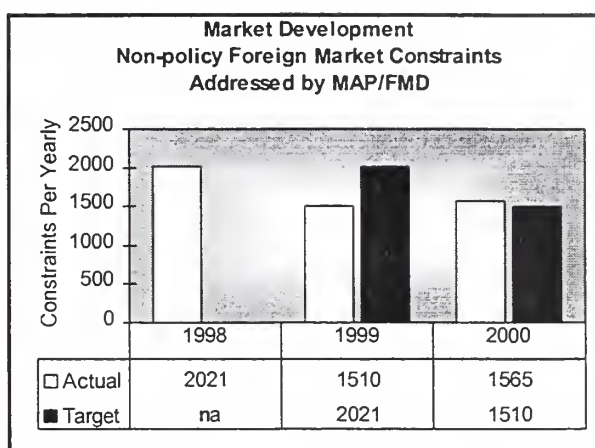
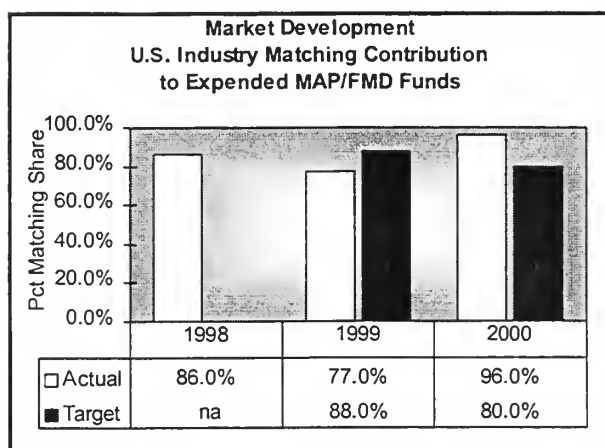
Actual: 1,565

Number of small businesses budgeted for MAP activities (individually through the Branded program and within Cooperator organizations)

Target: 575

Actual: 507 (p)





2000 Data: The quality and reliability of these performance indicators is generally high. Four of the five measures' data is captured in and reported by the computer system that manages the MAP and FMD programs. This data is submitted by the program participants in their annual program applications. Concerning the measure on improved strategic planning by program participants, this measure is based upon the subjective assessment of the individual managers who oversee the different participants compared against previous years' submissions. FAS has implemented an intensive training program for both the industry partners and for our staff to continually improve the quality of these strategic marketing plans.

Analysis of Results: It is difficult and expensive to measure the impact of export promotion expenditures on actual exports given the complex nature of MAP and FMD promotional programs and the wide range of activities, products and markets involved. Many econometric studies have established a range in the level of impacts from 3 to 14 times the level of promotional funding. However, since it is so difficult to explicitly link promotional expenditures to specific exports, FAS has spent significant time and effort trying to help its strategic partners (i.e., program participants) to develop and implement better strategic marketing plans so that they can be more effective in competing in the global market place. In this regard, FAS believes that it did meet the essence of this performance goal. While some of the indicator targets were not specifically met, they do not significantly alter this assessment.

A major focus of FAS is to assist U.S. cooperators in identifying export constraints to their products in markets around the world and to develop strategies to eliminate or reduce those barriers. Given tight budget constraints, FAS continues to emphasize to program participants the benefits of working together in certain foreign markets and conduct joint product promotions to achieve economies of scale. FAS leverages taxpayer funds by requiring the program participants to match a portion of their own money on these promotions. Lastly, FAS' efforts throughout the U.S. of assisting small companies to expand their export business is continuing to show results. High value products remain the fastest growing segment of world agriculture trade. Many small and disadvantaged producers do not have the economy of scale to compete effectively in exporting bulk products. FAS has been working towards identifying small and disadvantaged companies which produce and market high-value products and introduce them to the

opportunities of the global market place. The MAP "Branded" program is a primary vehicle for providing assistance to these firms to help them gain experience and achieve sales.

FAS fell slightly short of its annual performance target for assisting 558 small businesses through the MAP "Branded" program. As of the end of FY 2000, preliminary data showed a 91 percent success rate (507 assisted). FAS expects final revised data, available by March 2001, to illustrate a near 100 percent success rate. Data is revised based on participant reporting and their accounting for program participation and expenditures.

Current Fiscal Year Performance: Based upon initial program performance in FY 2000, FAS is on track to meet its FY 2001 targets.

Program Evaluations: No Program evaluations were conducted on these activities by outside entities other than the program participants in FY 2000.

Objective 1.2: In cooperation with private industry partners, identify and develop new export opportunities and assist the U.S. agricultural sector in responding effectively.

Key Performance Goals

Direct Sales reported by U.S. participants at international trades shows (\$Mil):

Target: \$250.0

Actual: \$367.5

Direct Sales reported by U.S. participants based on marketing services of AgExport Connections (\$Mil):

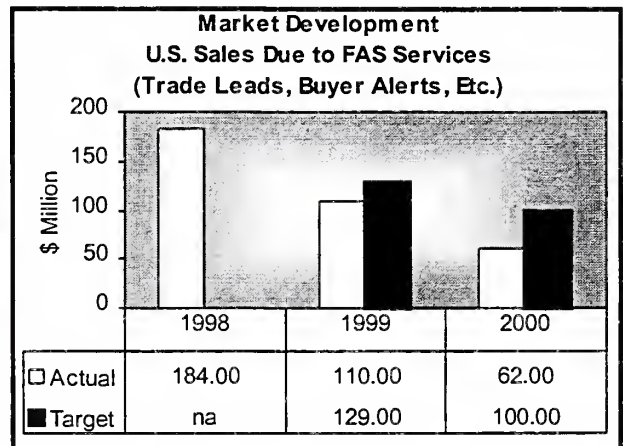
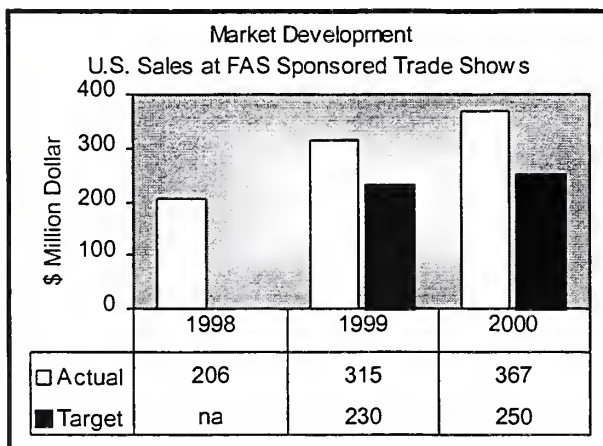
Target: \$100.0

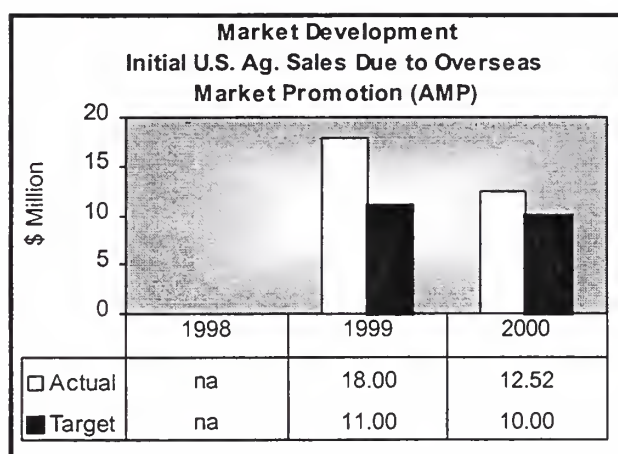
Actual: \$ 61.5

Direct Sales reported by U.S. participants at attache-sponsored events (AMP activities) (\$Mil):

Target: \$10.0

Actual: \$12.52





2000 Data: The quality and reliability of these performance goals are generally high. This data has been collected for years, so the collection processes and systems are highly reliable. However, the data that supports these measures comes directly from the companies benefitting from the specific activities. It is outside FAS' authority and prohibitively costly to validate the actual exports reported.

Analysis of Results: FAS worked hard to put U.S. companies face-to-face with foreign buyers. FAS encouraged U.S. firms to attend international trade shows so that they can market their products directly to foreign buyers. In FY 2000, trade show activities generated \$367 million in reported export sales which translates into a return on investment

of nearly \$180 per \$1 of FAS expenditures on trade show activities. Additionally, FAS provided direct marketing support to U.S. companies through the activities of our overseas employees by doing market assessments; introducing U.S. firms to foreign buyers either in-country or through automated buyer-alerts; and by providing U.S. firms with importer lists.

FAS is not able to report 100 percent success in meeting its FY 2000 results-based performance target of \$100 million in private sector U.S. export sales as a result of information obtained in FAS distributed foreign country Trade Leads (\$20.9 million in sales) and Buyer Alerts (\$40.6 million in sales). Only \$61.5 million could be verified. Due to a reduction in funding for these activities and other market access priorities, many overseas FAS offices could not completely collect data on actual U.S. sales. Therefore, U.S. sales were likely higher than reported in this document. No U.S. sales data could be collected for the FAS generated U.S. Suppliers List provided to foreign buyers. However, it seems logical to expect U.S. sales to be significant, relative to the cost of gathering and distributing the U.S. Supplier List, as a result of foreign buyers contacting U.S. firms directly. Also, this key performance measure is currently experiencing a change in U.S. outreach approach and performance verification as it moves to the INTERNET for distribution. While more U.S. firms and producers are obtaining trade lead and foreign buyer information via the INTERNET, no methodology is set up to address the anonymity of the INTERNET versus how and who to survey users regarding customer satisfaction and U.S. export sales.

Current Fiscal Year Performance: FAS appears to be on target for reaching the FY 2001 targets. FAS reduced the target for AgExport Connections to reflect the role of the INTERNET providing buyers and sellers additional avenues to information. Additionally, FAS has reduced its target for trade shows since USDA is shifting its support to assist U.S. firms attending shows in emerging, higher-risk growth markets. Exporters will continue to attend established shows in the mature markets but need assistance in the emerging markets to offset the initial costs and risks in capturing new markets. Exports are expected to result from both, but USDA will only track exports resulting from sponsored shows in the aforementioned performance indicator.

Program Evaluations: No Program evaluations were conducted on these activities.

Objective 1.3: Provide world market agricultural intelligence services to support the accomplishment of other FAS strategic objectives and to meet the market intelligence needs of internal and external users.

Key Performance Goals

Percent of external customers who rate FAS market intelligence as important or essential to their businesses:

Percent of internal stakeholders who rate FAS market intelligence as important or essential to their work:

Percent of FAS circulars that are complete, meet scheduled release dates, and contain no data errors:

Target: 95.0%

Actual: 100.0%

Number of average daily user sessions accessing FAS home page over the internet by non-FAS users:

Target: 3,500

Actual: 4,600

Forecasting reliability of WASDE projections (Avg. percent reliable: difference between February projection and final estimates for wheat, corn, rice, soybeans, and cotton)

Target: World Exports 95.95%

Actual: World Exports 96.21%

Target: U.S. Exports 93.90%

Actual: U.S. Exports 95.69%

Target: Foreign Production 95.00%

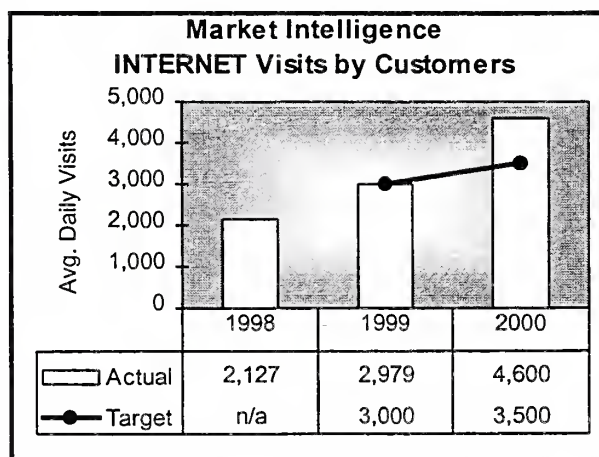
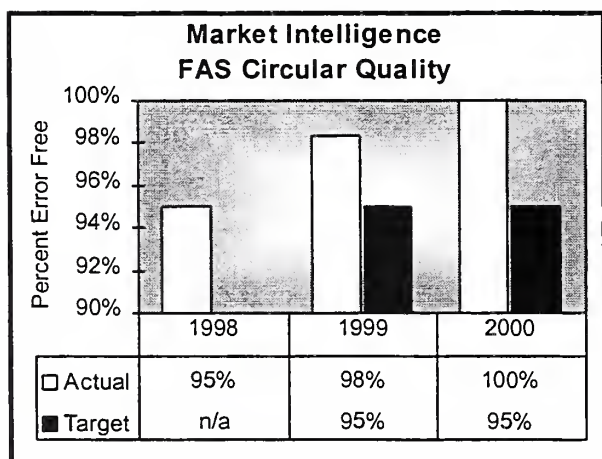
Actual: Foreign Production 98.98%

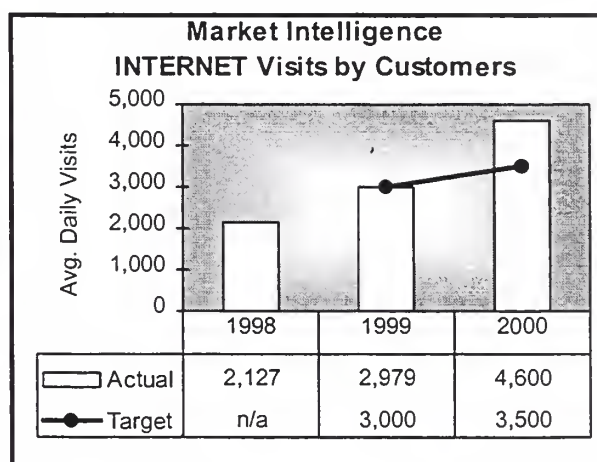
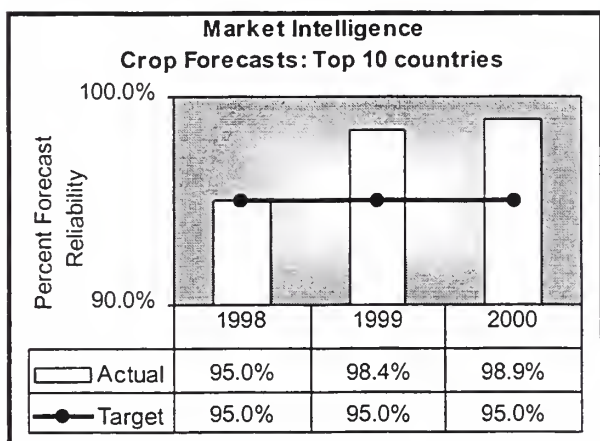
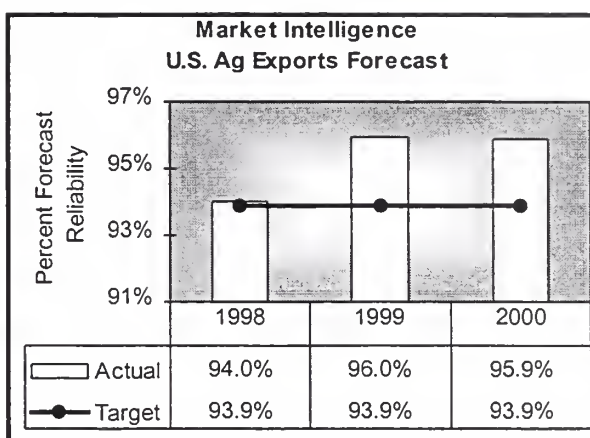
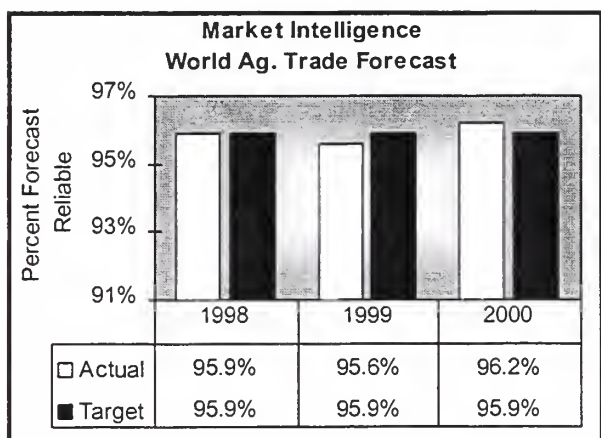
[Note: All measures converted to a 100% scale]

Number of countries assessed in FY 1999 for Y2K readiness in the international food supply sector:

Target: 75

Actual: 160





2000 Data: The data are considered reliable. Performance measures for this objective are readily measured and verified. Circular release dates are set by the World Situation and Outlook Board and tracked by the FAS Information Division. Circular errors not caught before release are reported through continued review internally. Internet usage is recorded electronically. Forecast reliability is readily verified by comparing the difference between February projections and final estimates reported in July.

Analysis of Results: FAS successfully accomplished its performance targets under this objective. These performance measures illustrate how foreign trade and agricultural intelligence activities support FAS's goals of increasing U.S. exports and improving world food security. The basis for program planning relies on reliable and timely intelligence and analyses regarding crop harvest forecasts, demand and trade expectations, competitor activities to capture export opportunities, and foreign policy outlooks. These are necessary and fundamental elements to fully and effectively utilize the program activities FAS has to accomplish the mission.

FAS was also successful in distributing this information to those who need it. The rapid growth over the last year in the number of non-governmental daily user sessions on FAS's Internet site reflects the rising interest in FAS market intelligence. Visits to our web site has increased from 1,950 per day in FY 1998 to 4,600 in FY 2000. Such expanded interest in the FAS Internet is a positive trend for FAS' performance in seeking to provide market intelligence to external users.

Our preparedness for Y2K under the Food Supply Working Group of the President's Council on the Year 2000 Conversion, was fully met. FAS Field Offices submitted assessments of the USDA overseas offices and the food supply sectors in 81 countries by October 1 of FY 1999, and the remaining 75 field offices were completed by December (the first quarter of FY 2000). Please note that this performance measure will be discontinued and not appear in future annual performance plans.

Current Fiscal Year Performance: FAS is on track to meet its performance targets for market intelligence established for FY 2001. A survey is being developed for distribution in FY 2001 which should provide a measurement of the importance of FAS market intelligence to users. FAS is aware that satellite imagery, crop evaluation, and foreign trade intelligence is in demand more than ever and scientists predict an upward trend in natural disasters and crop difficulties for the next decade.

Program Evaluations: No program evaluations were conducted during FY 2000.

Objective 1.4: Focus financial and marketing assistance programs to meet foreign market development needs.

Key Performance Goals

U.S. agricultural exports supported by GSM export programs (GSM-102/103, Supplier Credit, Facility Credit (\$Mil. registered)

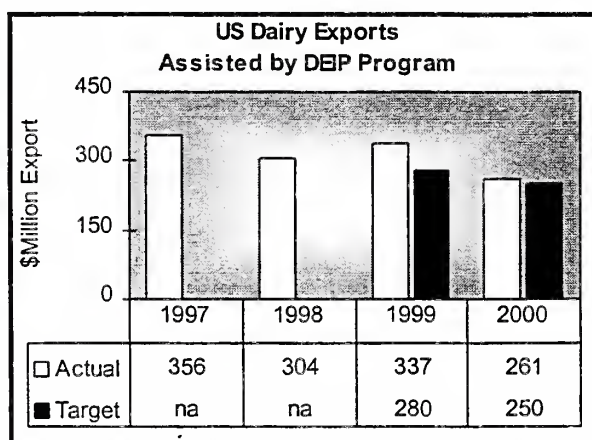
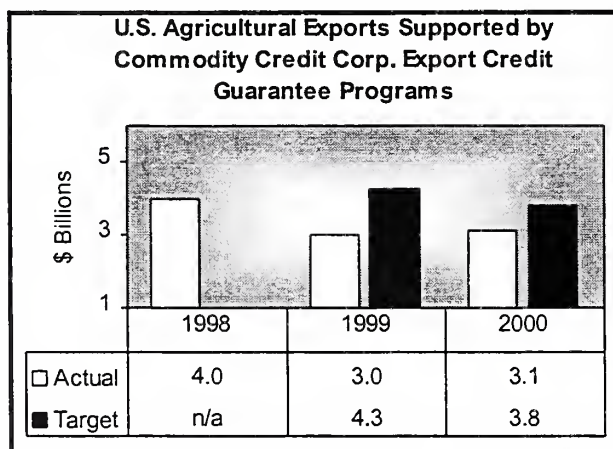
Target: \$3,787.0

Actual: \$3,081.6

U.S. agricultural exports supported by Subsidy Programs (EEP and DEIP) (\$Mil.)

Target: \$250.0

Actual: \$261.0



2000 Data: The export credit program data is based on actual CCC export credit guarantee program registrations in comparison with Departmental statistics for total U.S. agricultural exports. The data is final and complete. Program registration data predicts actual exports that occur under the programs with 95% accuracy. Actual export figures under the program are unavailable until the February following the fiscal year close.

FAS did not meet the performance indicator target for the U.S. export value of \$3.78 billion assisted under the export credit guarantee programs, reaching only \$3.08 billion, or 81 percent of the target. Usage of

these programs depend heavily on external factors such as borrowing conditions in the international financial markets and price competitiveness of U.S. commodities. Registrations fell about \$700 million short of reaching the goal under the guarantee programs. Lower-than-expected GSM-102 registrations in Mexico and Asia accounted for about 70 percent of the shortfall. International markets were receptive to borrowing by Mexico and Asia, which reduced the interest rate savings under the GSM-102 program. Banks in these countries had commercial lines of credit that offered attractive interest rates. The majority of U.S. agricultural commodity prices were low during FY 2000, which also reduced the dollar amount of GSM registrations versus the target set in the annual performance plan. FAS made available programs throughout other regions of the world, but strong price competition and un-creditworthy banks in several potential markets (e.g. China and Russia) precluded registrations. FAS continues to develop marketing strategies for the programs to build awareness. FAS staff is participating in many outreach activities associated with regional trade groups, trade missions, and exporter groups to promote the program. The FAS web site and brochures offer easy access to the commercial trade to learn about the programs.

Current Fiscal Year Performance:

Total registrations in fiscal year 2001 for the guarantee programs were \$220 million less than registrations during fiscal year 2000 through the middle of December. Registrations under the GSM-102 program were substantially below the fiscal year 2000 level. The Supplier Credit Guarantee program continued to grow rapidly as registrations were more than double the level of comparable registrations in fiscal year 2000. FAS continues to promote all of the guarantee programs and is seeking to enter markets that involve more risk while remaining within the risk limitations of the programs.

Program Evaluations:

The Office of the Inspector General (OIG) reviews the export credit guarantee programs as a part of their annual CCC financial audit. No major issues were identified in this year's financial audit. No other audits or investigations were scheduled by either OIG or the General Accounting office on the CCC credit guarantee programs in FY 2000.

Program operations and fiscal accounting procedures have been self-evaluated in development and implementation of a new program database. The first module of the GSM 2000 System database debuted in FY 2000 to assist staff in preparing program announcements. Additional modules are anticipated in FY 2001 to improve program operations and accountability. One critical outcome of the GSM 2000 systems will be the capability to develop an e-commerce link for program applications and making the current status of bank limits accessible to foreign banks. Being able to process electronic applications for credit guarantees has the potential to better utilize limited staff resources for other duties and responsibilities.

Goal 2: Promote world food security. Success is measured by the level of achievement towards the World Food Summit target of reducing the 1996 estimate of 841 million undernourished people by half (420 million) by 2015.

Objective 2.1: Develop and implement research, training, and technical assistance activities which promote development and adoption of policies that help meet world food security challenges as outlined in the 7 priority strategies in the U.S. Action Plan on Food Security.

Key Performance Goal

Reduce food insecurity 50% world wide by 2015:

Direct resources in support of agricultural related issues within the 7 priority strategies in the U.S. Action Plan on Food Security (\$Mil.)

Target: \$46.0

Actual: \$53.8

Contributions (in kind and direct financial by non-federal government sources) to total funds expended upon the 7 priority strategies in the U.S. Action Plan on Food Security.

Target: 9.0%

Actual: 9.6%

Number of research, training, and technical assistance activities that promote sustainable agriculture development worldwide and agribusiness and trade facilitation (e.g., nutrition, food aid coordination, SPS, food safety, and biotechnology) in emerging markets.

Target: 823

Actual: 967

Number of agricultural development and environment agreements negotiated, implemented or monitored.

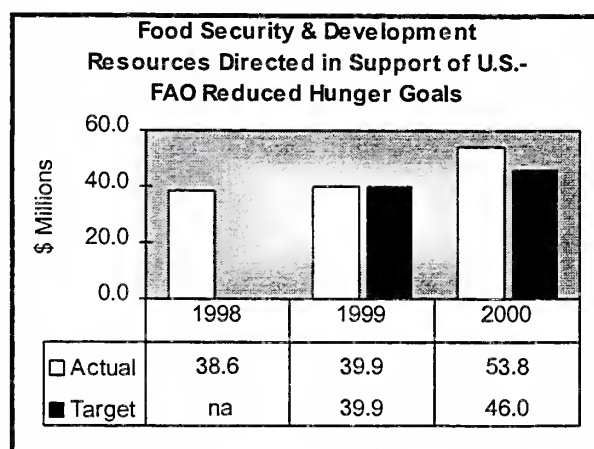
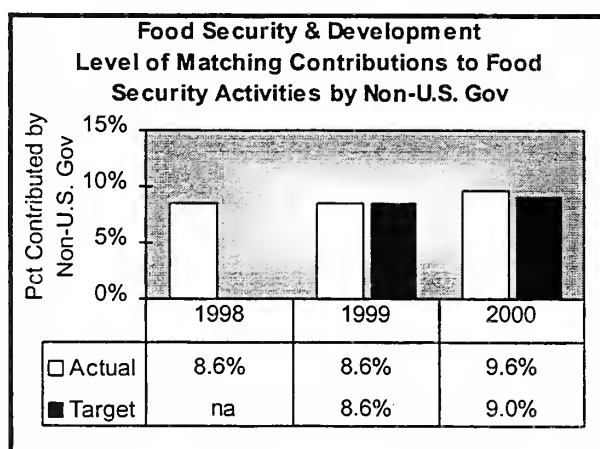
Target: 7

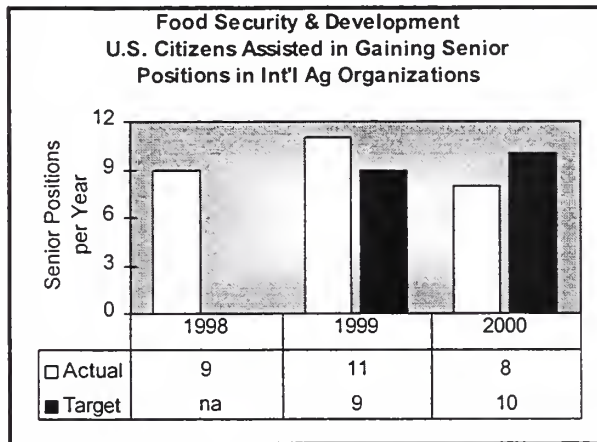
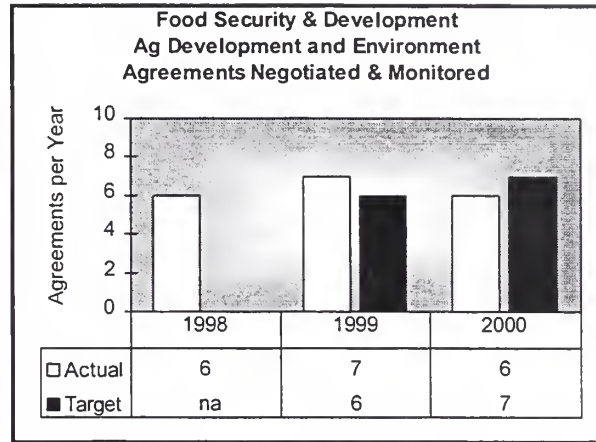
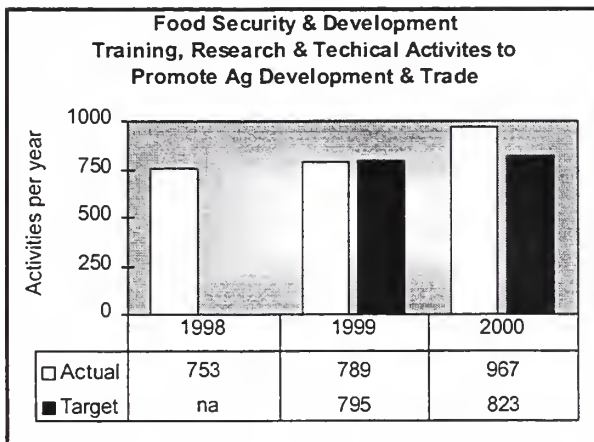
Actual: 6

Number of U.S. citizens assisted in obtaining senior management positions in international organizations representing agricultural interests.

Target: 10

Actual: 8





2000 Data: The quality and reliability of these performance indicators are high. The first and third indicators are provided by the FAS accounting system. The second, fourth and fifth indicators are tracked in internal ICD databases. The second indicator is also tracked by ICD staff, as ICD programs (Cochran, Scientific Exchanges) and Emerging Markets Office require in-kind contributions or private sector contributions.

Analysis of Results: While one of FAS' goals is to promote food security, it is generally acknowledged and accepted that reducing food insecurity in any country is a complex effort that involves economic,

political, social and cultural components. Much of the reduction of world food insecurity falls outside the U.S. Government's purview or span of authority. That being said, the *U.S. Action Plan on Food Security* specifically states that seven strategies will help promote food security worldwide. ICD successfully supported the seven Action Plan strategies by contributing technical assistance, training and research support to agriculturalists worldwide. ICD's work is geared toward educating agriculturalists from other countries about US food production, regulations, and policies, among others. The goal is to train international agriculturalists about US agricultural objectives and build like agricultural institutions' capacity to promote sustainable agriculture. ICD also promoted economic development in the agricultural sector to create an environment more conducive to trade. ICD also worked with small and disadvantaged businesses to educate them about export possibilities in non-traditional markets. ICD worked closely with the private sector to address specific concerns that they have about developing countries' infrastructure that is precluding US exporters from entering those markets. ICD promoted research of mutual interest to the US and other countries. This research addressed specific diseases and technical barriers to trade. Finally, ICD collaborated with other multilateral and international organizations to leverage funds on issues of mutual concern and to promote the U.S. agricultural agenda in the international arena.

Current Fiscal Year Performance: FAS is on track to meet its indicators for FY 2001.

Program Evaluations: During FY 2000 a program review and report was prepared on the progress towards the global goal and the activities of the United States under the *U.S. Action Plan on Food Security*. See publication U.S. National Progress Report on Implementation of the U.S. Action Plan on Food Security and the World Food Summit Commitments, 2000, Foreign Agricultural Service, USDA,

November 2000. The performance measure in the FAS annual performance plan reflects the broad nature of the many and varied activities in the US plan. In FY2001, the performance measure will be subdivided into the major activity strategies addressed by FAS. In summary, the implementation report for 2000 finds the world-wide food security goal is not obtainable by 2015 with the current United Nations estimated progress of 8 million people per year moving off the undernourished population statistics. A minimum of 20 million people each year is necessary. The report goes on to illustrate that the USDA is fulfilling its strategic activities under U.S. food security action plan, given the resources available.

Objective 2.2: Develop and administer food aid and other assistance programs to meet international food security challenges and U.S. Government commitments.

Key Performance Goals

U.S. agricultural exports supporting world food security:

Target: P.L. 480, Title I (\$Mil.) \$227.9

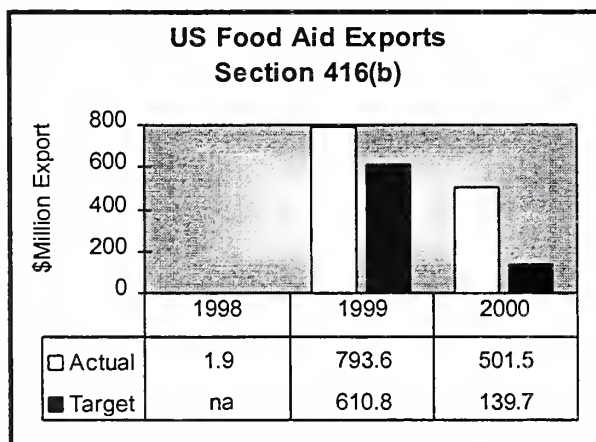
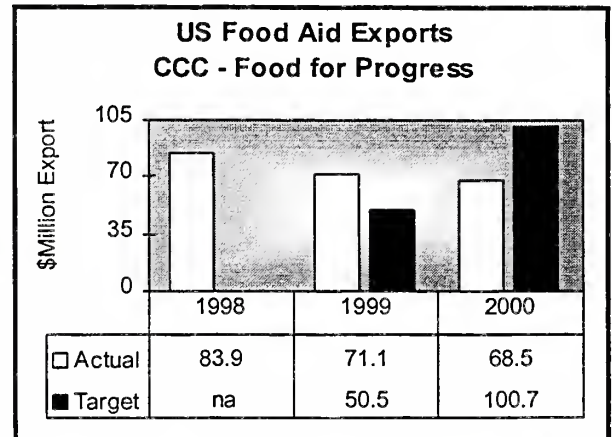
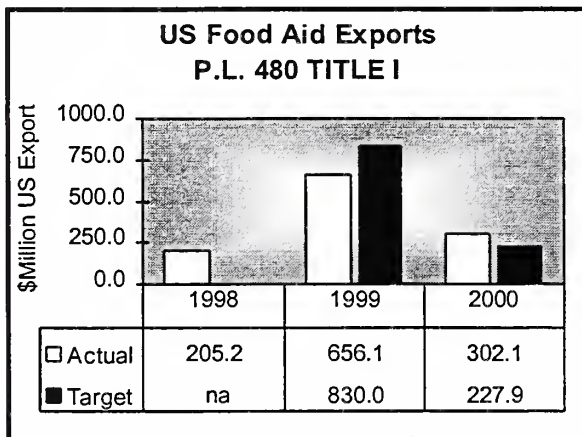
Actual: P.L. 480, Title I (\$Mil.) \$302.1

Target: CCC-funded Food for Progress (\$Mil.) \$100.7

Actual: CCC-funded Food for Progress (\$Mil.) \$68.5

Target: Section 416(b) (\$Mil.) \$139.7

Actual: Section 416(b) (\$Mil.) \$501.5



2000 Data: Data for these measures are highly reliable. Not only is the information captured in the official program and financial database, this data is also audited as part of the Commodity Credit Corporation Annual Financial Statement audit. Data is final based upon program agreements signed and amended (as required) prior to the end of the fiscal year. Final shipment figures could vary marginally, but not more than by 1 percent. Data presented, unless otherwise noted, only represents commodity value and does not include the cost of shipment and administration. If those costs were included the overall value of the program would rise considerably.

Analysis of Results: Direct food assistance is a vital strategy in the U.S. Action Plan for Food Security that prevents deteriorating conditions by feeding the hungry due to food shortages or damaging weather conditions, social or civil strife, or temporary needs associated with social or economic change. Food aid by the United States has been at an all-time high. In 1999, the USDA programmed nearly \$1.5 billion in food aid. In FY 2000, FAS programmed over \$800 million of U.S. commodities under the P.L. 480, Title I, CCC-Food for Progress, and Section 416(b) programs, far exceeding the combined annual performance targets for the three programs by \$333.8 million, or 70 percent more than expected. Even with this success, the CCC-Food for Progress target of \$100.7 million fell short, at \$68.5 million, due primarily to the statutory limit on funds available for the non-commodity costs of the Food for Progress program.

Current Fiscal Year Performance: To date, the Executive Branch has not established a program level for Section 416(b) for FY 2001. Initial planning for a possible program in FY 2001 has taken place which will allow for rapid implementation once a program is established. Additionally, FAS will be piloting a new initiative under the Section 416(b) program called the Global Food for Education Initiative. USDA will donate surplus U.S. agricultural commodities for use in school feeding and pre-school nutrition projects in developing countries. School feeding programs help assure that children attend and remain in school, improve childhood development and achievement, and thereby contribute to more self-reliant, productive societies. The initiative was announced by President Clinton on July 23, 2000, building on ideas promoted by Ambassador George McGovern and former Senator Bob Dole.

In the first year pilot program for FY 2001, USDA's Commodity Credit Corporation is committing \$300 million for U.S. commodities and transportation. Commodities will be donated under the authority of the Section 416(b) program. USDA-approved projects will be conducted through the UN World Food Program, private voluntary organizations, and eligible foreign governments.

Program Evaluations: No evaluations were completed in FY 2000.

Management Initiative 1: Provide fair and equal treatment in agency employment and the delivery of FAS programs

Implement Civil Rights Implementation Team's Recommendations:

Administer Civil Rights Program Delivery Plan focused on increasing the involvement of minority organizations and universities

Target: 75%

Actual: 75%

Implement Conflict Management Policy and Procedures and Train All Managers (CRIT 3.3)

Target: 100%

Actual: 87%

Develop Agency Workforce Plans and Implement Human Resources Evaluation Program, Worklife Survey, and Exit Interviews (CRIT 3.5)

Target: 80%

Actual: 100%

Implement Competency-Based Management Training and Complete Peer Surveys (CRIT 3.6)

Target: 50%

Actual: 0%

Provide Civil Rights Training to All Employees (CRIT 4.1)

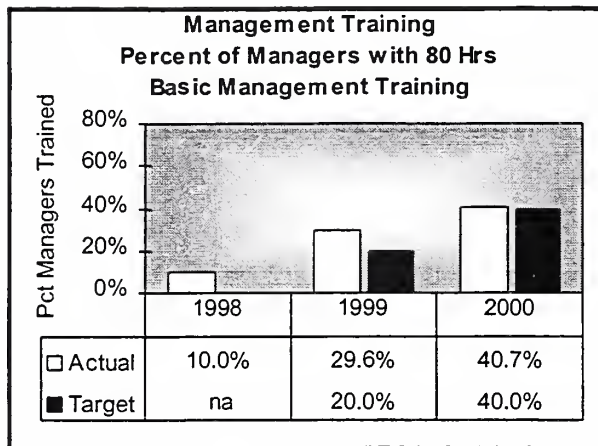
Target: 100%

Actual: 10%

Percent of managers who have had 80 or more hours of management/leadership training (FAS Goal is that 90% of managers have had 80 or more hours of Management/Leadership training by 2007).

Target: 40.0%

Actual: 40.7%



2000 Data: Data regarding the participation of institutions of higher education is very reliable. Records are available to document grants, projects and partnerships. Institutions can be identified as Historically Black Colleges or Universities, Hispanic Serving or Native American.

A database is being developed to track small business participation and mailing list for our AgExport Trade Show Program, direct assistance programs. Racial/ethnic designation of businesses are defined by employees through observation. Approval for data collection has not been requested. Data is not available for the Market Access Program, Foreign Market Development or Emerging Market Programs since agreements are generally

established at the organizations or entity level and have industry wide impact. Data is somewhat reliable. As we continue in the development process of baseline data, we anticipate that data will increase in availability and reliability.

Employment data with regard to race, ethnicity, gender and disability is obtained through the use of the National Finance Center database personnel payroll system. Our experience has shown that the data has a high level of reliability. Data is collected onsite during Civil Rights Training Sessions and as managers participate in basic competency training. The data are considered very reliable.

Analysis of Results: Data and success stories were critical to the determination of the level of accomplishment. Since we are in the process of establishing baseline data with regard to program accomplishments, we relied more heavily on success stories than actual references to data. Since we do not have the approval to collect data specific to minority, women and small businesses by form, we will continue to rely upon observation by staff. In this regard, FAS believes that it did meet the essence of this performance goal. While FAS did not meet the Performance Indicator target to implement a competency-based management training and peer review surveys for its supervisors, it does not significantly alter this assessment. This performance measure will be dropped for FY 2001 because competency-based training is already being accomplished under the performance measure for management/leadership training. FAS has implemented a yearly computer-based survey of current management skills and needs under the competency-based concepts and this data is utilized to select the mandatory basic training for managers.

Conflict Management Training, including policies and procedures, fell slightly short of 100 percent of all managers trained (at 87 percent) due to employee turnover and a heavy foreign travel schedule. Annual Civil Rights training for all employees fell short of the planned target for FY 2000 due to delayed training material. The new computer-based course was not delivered by the private contractor until August 2000 and only 9.4 percent of employees were able to complete the training within the final 30 days of FY 2000. Training is continuing and by March 1, 2001, over 90 percent of employees have completed the training.

Accomplishments with regard to total number of employees trained were heavily dependent upon participation data. Additionally, increases in the representation of minorities and women were defined by subtracting previous years total employment from current year's total employment.

Description of Actions and Schedules: Due to budget and staff constraints, FAS was not able to implement a peer review survey for managers. FAS concentrated its limited training funds on sending managers to basic management training designed to address the competency-based concepts and management skills. The peer review survey is a time consuming and costly undertaking which FAS plans to conduct periodically, once every 3-4 years, as the budget and resources allow. This performance measure will appear in a future annual performance plan for which it can be budgeted.

Current Fiscal Year Performance: Implementation of activities for Fiscal Year 2000 will serve as a foundation and resource for continued improvement and documentation of activities focused upon improving the impact of our programs on minorities, women and persons with disabilities. Civil Rights Impact analyses will be conducted on all rules, regulations or notices to determine the opportunity to improve services to minorities and women.

Program Evaluations: No evaluations were conducted in FY 2000.

RISK MANAGEMENT AGENCY

FY 2000 ANNUAL PERFORMANCE REPORT

The Risk Management Agency (RMA) was established under provisions of the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), P.L. 104-127, approved April 4, 1996. This Act amended the Department of Agriculture Reorganization Act of 1994, P.L. 103-354, Title II, to require that the Secretary establish within the Department an independent office responsible for supervision of the Federal Crop Insurance Corporation (FCIC), administration and oversight of programs authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), including any pilot or other programs involving revenue insurance, risk management education, risk management savings accounts, or the use of the futures market to manage risk and support farm income. The Agricultural Risk Protection Act of 2000 (ARPA), P.L. 106-224, was signed into law on June 20, 2000. Major provisions of this new legislation include: Expanded use of contracts and partnerships with public and private entities for the research and development of policies and other risk management tools; increased premium subsidies to make buy-up coverage more affordable for producers; expanded pilot program authority to include livestock program(s), a wild salmon program, a premium rate reduction pilot, and a cost-share program; reimbursement of research, development, and maintenance costs; increased emphasis on risk management education and assistance; provisions to address under-served areas, States, and commodities; establishment of expert review panels and procedures for reviewing policies, plans of insurance, and related material or modifications; program compliance and integrity provisions; availability and acceptance of electronic information; good farming practices to include scientifically sound sustainable and organic farming practices; and others not included herein.

The mission of the Agency is to provide and support cost-effective means of managing risk for agricultural producers, in order to improve the economic stability of agriculture. RMA is committed to transforming the crop insurance program into a broad-based safety net for producers to assure that American agriculture remains solid, solvent and globally competitive through the 21st century. This safety net for producers consists of many public and private alternatives designed to improve the economic stability of agriculture. RMA's portion of the safety net is supported by the Federal Crop Insurance program, risk management education, and non-insurance risk management tools such as options pilot programs.

More information regarding RMA's programs can be found in the RMA Strategic and Annual Performance plans. Only federal employees were involved in the preparation of this report.

The following table provides summary information on RMA's achievement of FY 2000 Performance Goals.

Goal 1: To strengthen the safety net for agricultural producers through sound risk management programs and education.

Objectives:

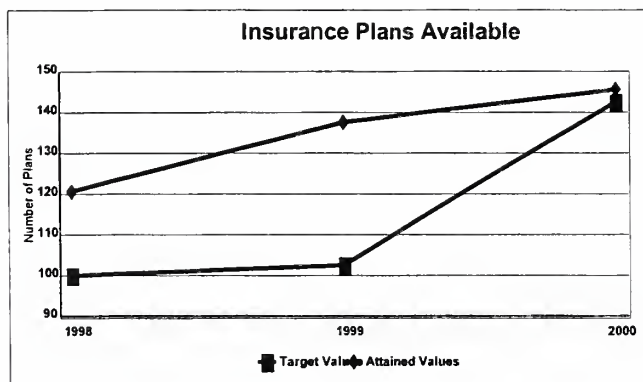
- 1.1 Producers have economically-sound risk management tools available to meet their needs.
- 1.2 Increase the agricultural community's awareness and effective utilization of risk management alternatives.
- 1.3 Improve program integrity and protect taxpayer's funds.

Goal 1: To strengthen the safety net for agricultural producers through sound risk management programs and education.

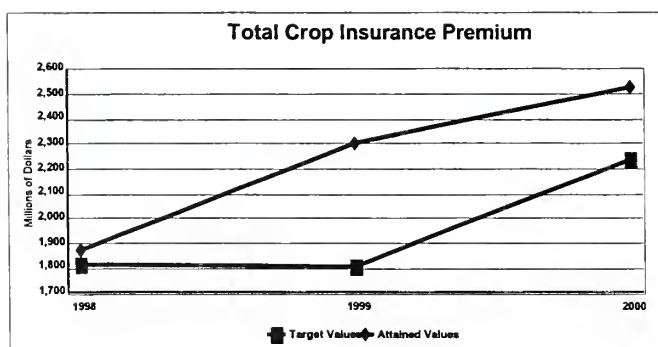
Objective 1.1: Producers have economically-sound risk management tools available to meet their needs.

Key Performance Goal

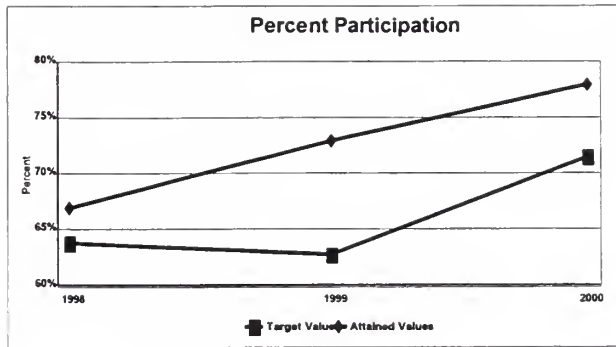
Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Expand risk management tools available for producers.			
Number of insurance plans available (crop year* data).	138	143	146
Total crop insurance premium (dollars in thousands-crop year* data).	2,303,669	2,235,700	2,526,224
Percent Participation - Percent of planted acres of principal crops as reported by NASS (other than hay) that are insured (crop year data).	73%	72%	78%
Total insurance in force (dollars in thousands-crop year data).	30,861,626	28,754,900	34,276,581
*As defined in the Revised 2000 and 2001 Annual Performance Plan			



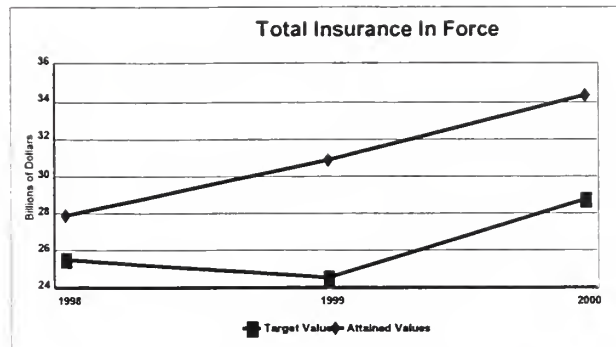
Year	Target	Attained	**Percent Attained
1998	100	121	121%
1999	103	138	134%
2000	143	146	102%



Year	Target (1,000s)	Attained (1,000s)	**Percent Attained
1998	1,814,000	1,874,644	103%
1999	1,808,390	2,303,669	127%
2000	2,235,700	2,526,224*	113%



Year	Target	Attain	Acres Insured (1,000s)	Acres Planted (1,000s)	**Percent Attained
1998	64%	67%	181,788	273,100	105%
1999	63%	73%	196,273	269,300	116%
2000	72%	78%	205,573*	262,200	109%



Year	Target (1,000s)	Attained (1,000s)	**Percent Attained
1998	25,561,600	27,913,508	109%
1999	24,613,400	30,861,626	125%
2000	28,754,900	34,276,581*	120%

* As of the 03/05/2001 Summary of Business Report.

** Percent Attained is the attained number divided by the target number. Percentages of 100 or more indicate the target was reached or exceeded.

2000 Data: RMA administers and provides oversight of the Federal crop insurance program and of the insurance providers who sell and service Federal crop insurance products to producers. Insurance providers are responsible for all aspects of customer service and guarantee payment of premium to FCIC. In return FCIC reinsures the policies and provides a subsidy for administrative and operating expenses associated with delivering the insurance products and/or programs. RMA maintains two integrated data processing systems to receive and validate data transmitted by insurance providers. Measured values are derived from RMA's database of financial and program data. These data are the basis to determine the liability and premium of the producers' insurance policies and resultant expense reimbursement to the insurance providers. Together the processing systems provide RMA with a mechanism to ensure that data received is accurate, errors are corrected timely, information contained on monthly accounting reports submitted by insurance providers is accurate and that all appropriate entries are made in the financial accounting systems. The databases are used in rating analyses, underwriting activities, statistical analyses, and management reporting. A report example is the crop insurance Summary of Business Report, which is the year-to-date cumulative summary of the crop insurance industry's business. RMA's database is used to measure program accomplishments, including those identified in RMA's Strategic Plan and Annual Performance Plan.

In addition to data validations, insurance providers and RMA's Compliance unit conduct field verification reviews. RMA believes that the checks and balances performed by the RMA data processing systems, the RMA Compliance unit, and the insurance providers assure the quality and reliability of its data.

While data reporting is not entirely complete for the 2000 crop year, analysis has shown that by the first of November of the crop year, 99 percent of the crop insurance premium and total insurance in force (value of

insurance liability) have been reported. Final settlement of reimbursement expenses to the insurance providers will begin in February, 2001. As a result, final data for the 2000 crop year should be complete by November, 2001. There can be small increases or decreases in the acres, liability, and premium reported on these crop insurance policies due to adjustments made during reviews or appeals after the first year. As a result, attained values may be changed in the performance indicators as the Summary of Business report is updated with current data.

Analysis of Results: RMA has successfully achieved this performance goal. To strengthen the safety net for agricultural producers through sound risk management programs and education, RMA has developed, managed, and ensured delivery of a variety of products to help producers protect themselves from yield risks, market risks, or both. RMA and its private delivery partners have made substantial strides in the number of producers who have benefitted from the economic protection offered by RMA managed products. Producer utilization of risk management tools is measured by the following indicators:

The number of insurance plans available to producers, increased by 8 (a 6 percent increase from the 138 insurance plans for the 1999 crop year, to 146 insurance plans for the 2000 crop year). For the 2000 crop year, new pilot programs were implemented for processing chile peppers, mint, fresh market beans, processing cucumbers, strawberries, and cultivated clams (all commodities not previously insured). In addition, new insurance plans were implemented for previously insured crops including Revenue Assurance plans for canola, sunflowers and barley. This increase of nine new insurance plans, coupled with the removal of the watermelon insurance plan beginning with the 2000 crop year, results in a net increase of eight insurance plans for the crop year. In addition to developing programs for new crops and new alternatives for existing crops, RMA has continued to expand the availability of existing programs to new counties and States. This increase in the number of new risk management tools available to producers is a direct measurement of the success of RMA in exceeding performance goal 1, which is to expand the risk management tools available to producers.

The total crop insurance premium exceeded the 2000 crop year target by approximately 13 percent, representing a 10 percent increase over the previous year. Total crop insurance premium is the combined dollar amount paid by producers (producer-paid premium) and the Federal Government (premium subsidy) for insurance premiums under the Federal crop insurance program. Because insurance premium rates are higher for higher coverage levels, additional insurance options, and other program enhancements selected by producers, this program indicator provides a measurement of meeting producers' needs by the purchase of such enhancements and the additional premium expense incurred. Producers also have the ability to reduce their coverage to lower levels or cancel options and other enhancements to maintain approximately the same out-of-pocket cost incurred in previous years. Total crop insurance premiums are also impacted by individual producers' changes in crops, insured shares, and insured acreage.

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act (P.L. 106) authorized funds for disaster relief. Included in the appropriations were funds which allowed RMA to assist producers by providing premium discounts for those producers who purchased additional crop insurance coverage for the 2000 crop year. Total insurance in force is the amount of liability (or value of insurance in force) for all producers participating in the Federal crop insurance program. Total insurance in force is another performance indicator in which the target goal was exceeded; in this case, by 19 percent. For the 2000 crop year, the value of insurance in force for additional coverage levels increased by \$3.4 billion over 1999 levels and values at the catastrophic levels decreased by \$236 million. This indicates a number of producers who were able to more satisfactorily meet their needs through higher levels of coverage. The success of the premium reduction and subsequent conversion to buy-up coverage levels is evidenced in the actual value of this performance measure.

Percent participation exceeded the 2000 crop year target by approximately 10 percent. Percent participation is determined by dividing RMA's net acres insured (for principal crops, other than hay, as reported by National Agricultural Statistics Service [NASS]) by the total U.S. planted acres of principal crops (other than hay) as reported by NASS. This performance indicator is positively impacted by the additional premium discounts, program enhancements, and number of insurance plans available.

The passage of ARPA further contributes to producers' ability to protect their financial stability, and comprises the major component of the safety net for agricultural producers. The ARPA includes significant changes in the manner in which RMA will accomplish its goals, including expanded use of contracts and partnerships with public and private entities. RMA anticipates these changes will expedite and strengthen the research and development process to enable new and innovative risk management tools to be developed for use by producers. These new tools will go far beyond the traditional crop insurance programs, which in the past, have been the primary focus of the FCIC. As a result, RMA has revised its Strategic Plan for fiscal years 2000 through 2005. Objective 1.1 has been revised to incorporate the utilization provision previously contained in Objective 1.2 and two new performance measures have been added to Objective 1.1. The change in Objective 1.1 to "Increase the availability and utilization of economically-sound risk management tools to meet producers' needs" will provide the outcomes which assess the effectiveness of RMA's contribution to the safety net for agricultural producers through the utilization of risk management tools. The two new performance indicators are: Net acres insured, and Number of non-insurance tools available. The outcome of traditional crop insurance indicators is obtained from RMA's databases and will be utilized to measure RMA's achievements.

Current Fiscal Year Performance: The traditional crop insurance indicators expressed in Objective 1.1 are the values of producer participation data obtained from RMA's data processing systems. Target levels are established based on such issues as the current legislative funding provided in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act (P.L. 1906) which allowed RMA to provide premium discounts for those producers who purchased additional crop insurance coverage for the 2000 crop year. Management initiatives such as expansion of crop and county programs are also utilized to establish target levels. For the 2000 crop year, RMA expanded the number of county crop insurance programs to 36,262 from the 1999 level of 34,849. Increased producer participation is evidence that RMA has been successful in delivery of the crop insurance program and in providing a cost-effective means for agricultural producers to manage their risk.

RMA and its private delivery partners have made substantial strides in the number of producers who have benefitted from the economic protection offered by RMA-managed products. For example, achievement of the objective is evidenced by the increase in the number of acres that are insured. RMA anticipates the contracting and partnerships with public and private entities will further increase the number of acres insured and as a result projected target levels have been increased as identified in RMA's revised Strategic Plan. Likewise, total insurance in force, which is the value of insurance liability, is a direct measure of RMA's contribution to the safety net for agricultural producers. In recent years, there has been a significant increase in the total insurance in force. That coupled with the expected increase in future products, results in a projected increase in liabilities.

Program Evaluations: The RMA's Research and Evaluation Division plays a major role in the evaluation of permanent programs and pilot programs. During FY 2000 the Division completed and reported to the Chairmen of the House and Senate Ag Committees on evaluations of the pilot millet crop insurance program and the pilot cotton harvest incentive program. The complete evaluations are available through RMA's Research and Evaluation Division.

The millet evaluation findings are as follows: Insured acres represented approximately 65 percent of the millet acreage planted for grain in the pilot program counties. An average of 650 producers and 85,000 acres were insured in the pilot program counties each crop year from 1996 through 1999. The major causes of loss were excess moisture/precipitation and hail. Performance measured by loss ratio for all pilot program counties has been generally similar for millet relative to the comparative crops (barley, corn, oats, and sunflowers) in the same counties. RMA plans to expand the crop insurance program to include millet as a permanent insurance program beginning with the 2002 crop year.

The cotton harvest incentive (CHI) findings are as follows: The program's objective was to reduce losses by increasing harvested acres and thus increasing the amount of cotton delivered to cotton gins. The CHI pilot program was implemented in selected Texas counties for the 1995 and 1996 crop years. About 2,300 producers insured more than a quarter million acres (20 percent of the planted acreage) under CHI each of these crop years. An evaluation of the 1995 and 1996 CHI showed that instead of going down, indemnities

actually increased approximately 7 percent as a result of CHI. The evaluation also indicated that a greater percentage of CHI acres were harvested than non-CHI acres and that ginnerers were generally pleased with the additional supply of cotton, but were disturbed by the large amount of dirty cotton they received.

Although CHI was designed to elicit economically-productive behavior, growers may have harvested worthless residue to avoid the 35-pound penalty, making the pilot program economically counterproductive. Another concern was that the incentive/penalty amount of 35 pounds had a greater effect on lower-yielding dryland cotton than irrigated cotton. The CHI pilot program as implemented for 1995 and 1996 was criticized by producers who believed that the 35-pound penalty should not be applied to early season losses. They were also unhappy with the concept of a penalty in general, preferring only the incentive part of the program.

The program was changed for the 1997 through 1999 crop years such that it contained no unharvested penalty, but had a higher premium rate and the 35-pound incentive was changed to 7.5 percent of the producer's average yield. For reasons of actuarial soundness, all acreage in each county was required to be covered as one unit rather than being subdivided into smaller insurance units. Many producers elect optional units because indemnities tend to be paid more frequently. Participation in the modified pilot program progressively declined each year until 1999 when there were just 19 insureds with 6,000 acres. Indemnities directly associated with the CHI 35-pound incentive/penalty were less than \$3,000 in 1999. The continuation of the CHI pilot program did not seem to be justified with such low participation.

CHI was tested in the hopes that it would cause greater amounts of cotton to be harvested, thus reducing crop insurance losses because the increased quantities harvested would offset the increased indemnity as a result of the incentive. The results did not support these expectations as there was actually an increase in indemnities. Because the test also demonstrated that producers would not buy CHI as redesigned, it was terminated for the 2000 crop year.

Objective 1.2: Increase the agricultural community's awareness and effective utilization of risk management alternatives.

Key Performance Goal

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Increase agricultural producers' awareness of risk management alternatives.			
Number of producers' attending risk management education sessions.	21,036	12,300	30,095
Number of risk management education sessions being coordinated or facilitated.	582	600	858
Number of producers participating in risk management clubs or marketing clubs.	N/A	1,000	850
Number of Dairy Options Pilot Program sessions being coordinated or facilitated.	N/A	55	55
Increase the number of agricultural producers that utilize risk management alternatives.			
Number of dairy producers participating in the Dairy Options Pilot Program.	N/A	3,000	1,225
Total number of crop insurance policies earning premium (in thousands-crop year data).	1,285	1,286	1,316

2000 Data: The Risk Management Education Division (RME) surpassed targets set for the number of producers attending risk management courses and the number of risk management education sessions being coordinated or facilitated. Information regarding the number of producers attending risk management education (RME) courses and the number of RME sessions being coordinated or facilitated was provided by the Risk Management Agency's (RMA) ten Regional Offices (RO's) through

September 30, for the previous fiscal year. The numbers reflect only the producers attending courses and RME sessions coordinated, facilitated or funded by the RO's; and do not reflect any producers attending RME courses or RME sessions coordinated, facilitated or funded by public or private sector education partners. RME is aware through coordination activities with the RO's and the public or private sector education partners that collection procedures for these data are not consistent from state to state.

RME is working with the RO's to improve collection procedures to ensure federal consistency of future data tabulation and analysis. Earlier this year the RME Division held a meeting with all regional offices in which documentation of RME activities was discussed. RME implemented several changes that will improve collection procedures to ensure federal consistency on how meetings are documented on individual RO logs. The major improvements made to the logs included adding columns that will allow RMA to identify how many small, limited resource, and minority farmers our educational initiative is reaching. This agency is charged with performing outreach activities that help small, limited resource, and minority farmers better manage their risks. Also, RME established guidelines to clarify what actually counts as a meeting. Within many RO's inconsistencies existed in regards to what counted as an effective, worthwhile RME activity. Also, RME clarified how to effectively count attendees reached at large trade shows.

The number of active risk management and marketing clubs being coordinated or facilitated was provided by RMA's ten RO's and the University Cooperative Extension Service through September 30, for the previous fiscal year. RME will verify and validate the increase in active risk management clubs throughout under served states and the total nation by agencies and organizations reporting back to us on the completion of the projects in which we helped fund or played an actual role in making happen.

Information regarding the number of producers participating in the Dairy Options Pilot Program (DOPP) and the number of DOPP sessions being coordinated or facilitated was provided by the RMA's ten RO's through September 30, for the previous fiscal year. During FY 2000, Round II expanded the program to 61 counties in 32 states. This expansion provided dairy farmers with unique hands-on opportunities to learn to use options markets for price risk management. DOPP participants first attend a training session and then work with a licensed commodity broker to establish a floor price for their future production. They can establish a floor for milk revenues by buying dairy put option, which are traded at The Chicago Mercantile Exchange. DOPP subsidizes 80 percent of the market premium and \$30 of the round-turn commission for each put option contract purchased by participants within the provisions of the program.

RMA exceeded its goal by 1 percent for the total number of policies earning premium. RMA maintains two integrated data processing systems to receive and validate data transmitted by reinsured companies. These data are the bases to determine the liability and premium of the producers' insurance policies.

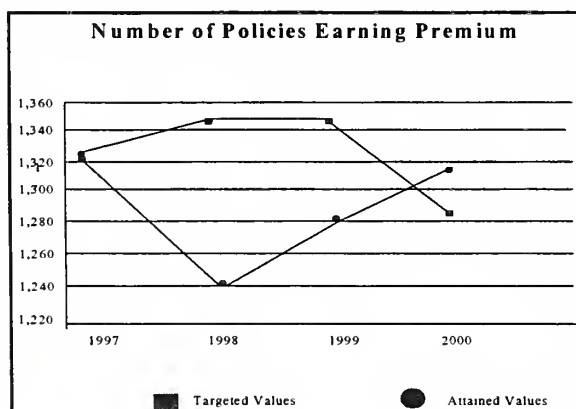
Analysis of Results: The performance goal was not met. For FY 2000, the number of producers attending RME courses was 30,095, which exceeded the targeted goal of 12,300. The same is true for the number of RME sessions coordinated or facilitated. In FY 1999, RMA projected that 600 sessions would be held in FY 2000. But in FY 2000, 858 sessions were actually held. FY 1999 was the first year a major emphasis was placed on RME activities; and RO's had to form partnerships with private and public agricultural organizations and gain expertise in coordinating and facilitating RME activities. The expertise gained in FY 1999 is reflected in the number of producers reached in FY 2000. With low commodity prices, the increase in producers reached in FY 2000 proves producers are searching for sources and solutions to help manage price risk. Producers attending RME courses is an indication of their desire to increase awareness of risk management alternatives to help choose the most effective risk management tools to meet their individual needs. With the expertise RO's gained in FY 1999 and FY 2000 and the funding increases awarded to RME by ARPA, the number of producers this agency plans to reach in FY 2001 by traditional risk management courses are far larger than previous years. Also, RME is planning to reach producers through non-traditional modes of training. These modes include the distant learning courses now employed by the DOPP program, intensive one on one counseling sessions and converting instructional materials to CD's for self study. RMA feels this is the wave of the future and will enable RME to reach producers in a more effective manner. Many producers do not want to attend traditional workshops. They are computer savvy and would rather learn about new risk management strategies and tools in the comfort of their own homes.

The target set for the number of producers joining risk management and marketing clubs in FY 2000 was not met. In FY 2000, RME projected that 1,000 producers would participate, but only 850 producers joined. The concept of joining a risk management or marketing club to help manage a producer's farming operation has been slow to catch on in the farming community. As time passes, and club members throughout the farming community begin to tell other farmers about the objectives of these clubs and how they have helped them, the concept will become more popular. Many extension agents in states such as Kansas and Texas are working hard to push this risk management alternative. RME will verify and validate the increase in active risk management clubs throughout under served states and the total nation by agencies and organizations reporting back to us on the completion of the projects in which we helped fund or played an actual role in making happen.

The number of dairy producers participating in the DOPP was not met. In FY 2000, 1,225 producers participated in the pilot program. However, the projected number of 55 dairy options pilot program sessions being coordinated or facilitated was met. In FY 1999, RMA projected that 3,000 producers would be participating in DOPP in FY 2000. The projection was too optimistic, low milk market prices have played a major role in many producers not utilizing the DOPP program, even though improvements in the program were made. The attendance numbers indicate this is a valid and useful program. In the coming year, participation should rise due to the expansion that is planned. However, if milk market prices remain as low as they have for the last two years, many producers will likely not utilize the program.

Through DOPP, RME is accomplishing the objective of increasing agricultural producers awareness of risk management alternatives. This was accomplished by working closely with dairy extension agents and other interested parties residing in the selected dairy counties. Without the buy-in of dairy extension agents and other interested parties, such as dairy co-op leaders, who publicize training sessions, these sessions could not take place.

RMA is dedicated to increasing the total number of policies earning premium. RMA exceeded its goal by 1 percent in FY 2000 because of the increase in the number of pilot programs now available, the expansion of existing programs in new counties and States, emergency supplemental appropriations that provided a reduction of approximately 30 percent in the farmer's share of premium costs, and the increase of funding for risk management education. The passage of ARPA opens opportunities for new products to be developed through contracting and partnerships. Also, premium subsidy levels have been raised on the higher levels of crop insurance. These factors should continue to increase the number of policies earning premium.



Crop Year	Target (1,000s)	Attained (1,000s)	Percent Change
1997	1,320	1,321	0%
1998	1,348	1,242	-8%
1999	1,348	1,285*	-5%
2000	1,286	1,316	1%

RMA discontinued these measures: The agency decided to combine Performance Goal #2, "Increase agricultural producer's awareness of risk management alternatives" and, "Increase the number of agricultural producers that utilize risk management alternatives" into one goal. The new goal is "Increase agricultural community's awareness of risk management alternatives." This change was warranted because the success of RMA's risk management education and outreach efforts can be more accurately

assessed by measuring how the overall agricultural communities' awareness has been raised. The outcome of this goal will assess the effectiveness of RMA's contribution to the safety net for agricultural producers through the utilization of risk management tools. Through partnerships, the agricultural community will have available comprehensive programs to meet this goal. Awareness and utilization of risk management alternatives by the agricultural community should be heightened.

Current Fiscal Year Performance: Currently, RME is working with sessions for fiscal year 2001. Request are being submitted to the national office on a regular basis now that the funds stipulated in ARPA have been apportioned. Also, the national RME office in Washington, DC will coordinate and facilitate some sessions independently. Action plans have been devised for Sections 131 and 133 of ARPA to provide guidance to parties interested in training producers.

Description of Actions and Schedules: As mentioned above, the concept of joining these sorts of clubs to help manage a producer's farming operation has been slow to catch on in the farming community. As time passes, and club members throughout the farming community begin to tell other farmers about the objectives of these clubs and how they have helped them, the concept will become more popular. Also, funding has been an issue. In FY 2000, RME did not receive the funding needed to execute a massive and meaningful push to ensure 500 new risk management and marketing clubs were formed.

RME did not meet the target set for the number of dairy producers participating in the Dairy Options Pilot (DOPP) Program. In FY 2000, 1225 producers participated. In FY 1999, RMA projected that 3,000 producers would be participating in DOPP in FY 2000. The projection was too optimistic. Milk market prices have been low for the last two years, so many producers did not utilize the program even though changes in the program were made. Round III of DOPP will expand the program to the limits set (300 counties) in ARPA in FY 2001.

Program Evaluations: None were conducted in FY 2000.

Objective 1.3: Improve program integrity and protect taxpayer's funds.

Key Performance Goal

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Reduce program vulnerabilities.			
Crop insurance loss ratio (crop year data)	0.93	1.075	1.075
Total error rate (total of misrepresentation, program vulnerabilities, and Unintentional errors.	3.95%	4.83	4.42%
Rate of erroneous payments (misrepresentation)	.05%	0.11%	N/A
Rate of program vulnerability	.26%	1.10%	N/A
Rate of program delivery errors (unintentional errors).	3.65%	3.63%	N/A
Number of audit recommendations which are not completed timely.	19	21	5
Percent of material Federal Managers' Financial Integrity Act (FMFIA) deficiencies which are not completed timely.	0%	0%	0%
Percent of program goals and services with actual costs aligned.	100%	100%	100%

2000 Data: Baseline Error Rate Review (BERR) was to serve as the Office of Risk Compliance's annual review process designed to establish a Multiple Peril Crop Insurance (MCPPI) baseline error rate. The BERR results were derived from testing results conducted by RMA on a sample selection of policies and a

subsequent analysis by the Office of Inspector General (OIG) to determine actual error rates, given a specified population, sample size, and confidence level.

The BERR defined an error as an exception that may or may not have a monetary effect on the claim and may have been caused by the insured, agent, adjuster, company representatives, or resulting from a program vulnerability. Unintentional errors included finding loss adjusters failing to verify or correctly determine production to count an acreage. Intentional errors included hidden production and overstated acreage by policyholders. Program vulnerability errors are situations where there is a vulnerability in the program which allows insureds to collect indemnity payments, although if common sense were applied, the claim would be uninsurable. The total error rate is the total of misrepresentation, program vulnerabilities, and unintentional errors with unintentional errors constituting 3.63% of the 3.95% of the errors discovered during FY 1999. Though the BERR was discontinued we have little reason to believe this number significantly changed during FY 2000.

However, ROC decided to discontinue the BERR methodology during FY 2000 because the figures used did not encompass an increasing number of programs that have been made available to the producers. Additionally, these measures are dependent on the *Manual 14 (Guidelines and Expectations for Delivery of the Federal Crop Insurance Program)* quality control reporting requirements found in the *Standard Reinsurance Agreement* (SRA) that details the insurance providers' contractual relationship with RMA and the Federal Crop Insurance Corporation (FCIC). Therefore, results for performance measure "total error rate (total of misrepresentation, program vulnerabilities, and unintentional errors)" is not available for FY 2000. RMA did not receive enough information to report the outcome for this measure. As stated in RMA's revised FY 2001 and FY 2002 Annual Performance Plan under Objective 1.3 "Reduce program vulnerabilities", we will use the error rates reported by the insurance providers of 6.58% (95% confidence level with +/- 2.74%) as a baseline for 1999 and 4.42% as a baseline for 2000 (95% confidence level with +/- 2.72%). These rates were compiled from the data obtained from all the Compliance Crop Insurance Contract Reviews conducted by the insurance providers. However, a review of these error rates found additional discrepancies which would show that these rates are understated.

The more encompassing *Manual 14* review process sets standards that when properly followed would show the effectiveness of the insurance providers' quality control program. However, we spot checked the Compliance Crop Insurance Contract Reviews conducted by the insurance providers and made seven (7) recommendations to improve *Manual 14*. When these recommendations are implemented *Manual 14* reviews will be an effective method to evaluate the insurance companies quality control program.

The manner in which corrective actions to OIG/GAO audit recommendations have not been completed as planned and has been modified from an absolute number to a percentage. This new metric is consistent with that employed by the Department's Chief Financial Officer (OCFO) and more clearly indicates the level of effort required to the complete corrective actions and close recommendations. However, in our FY 2000 Annual Performance Plan, performance measure to "reduce the number of recommendations not completed timely" from 21 to 16, this goal was exceeded with the number reduced to 5 open recommendations. Office of Risk Compliance in coordination with OIG, OCFO, and the program offices worked to fulfill the requirement to close recommendations without final action more than one-year past the Management Decision date. The remaining issues continue to be aggressively worked.

Performance measure "Federal Managers Financial Integrity Act (FMFIA)" was changed to a new measure "number of material weaknesses report." Deficiencies was changed to reflect a greater emphasis in identifying material weaknesses or system non-conformances. This shift represents a change of focus from a timely completion of correction actions to one of timely identification of weaknesses or non-conformances through the use of the criteria discussed in OMB Circular A-123 (*Management Accountability and Control*). We will continue to work with the Office of Inspector General to ensure that material weaknesses or system nonconformances are identified and reported as part of the audit process.

There were no new material weaknesses or system non-conformances reported by RMA in FY 2000 and none carried over from previous years. The RMA Administrator in the Annual Statement of Assurance reported this to the Office of the Chief Financial Officer (Departmental).

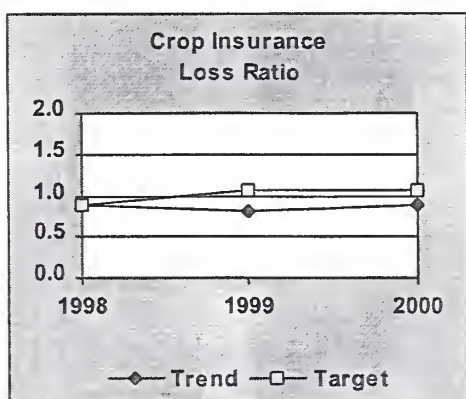
Additionally, performance measure “*percent of programs goals and services with actual costs aligned*” has been discontinued and replaced with a shift in focus to the cost-benefit analysis of individual program reviews. This will assist senior management more readily to identify the level of effort and resources used and serve as a foundation for future planning and programming initiatives.

To further support this effort, formalized procedures have been developed to track the number of cases and dollar amounts for civil, criminal, and administrative cases, and the number of cases referred for disqualification/disbarment. The sources, methods, and bases for calculations of estimated or actual figures for cases are provided as support documentation.

Multiple systems remain in place to measure performance in each of these areas, all of which provide accurate, reliable, and current information to the Office of Risk Compliance managers allowing them to make informed and timely decisions regarding the short and long-term strategic and operational direction of Risk Compliance as well as to affect mid-term corrections caused by unforeseen events or legislation.

Analysis of the results: The goal was met. Though the performance indicators were modified for future years reporting and the Baseline Error Rate Review was eliminated during FY 2000. The Office of Risk Compliance remains confident that the performance measure “*reducing program vulnerabilities*” has been met for Fiscal Year 2000. The 2000 loss ratio¹ of 0.88 shows that the Agency remains successful in keeping the cost of program to taxpayer is higher than the premium paid by producers for crop insurance coverage. The loss ratio is reviewed throughout the year by monitoring the inflow (e.g. premiums) and outflow of monies (e.g., indemnities) to ensure the legislatively mandated loss ratio of 1.075. This can be attributed to several factors:

- an aggressive program review process designed to identify program vulnerabilities
- use of the criteria discussed in the *Federal Managers Financial Integrity Act (FMFIA)* to identify material weaknesses and system non-conformances,
- the actions taken as a result of audits conducted by the Office of Inspector General (OIG) and General Accounting Office (GAO),
- investigation of OIG Hotline complaints regarding waste, fraud, abuse or poor farming practices by producers or questionable business practices by producers, loss adjusters, or insurance agents.



Crop Year	Actual	Target
1998	0.89	0.89
1999	0.80	1.075
2000	0.88	1.075

¹ Losses incurred expressed as a percentage of earned premiums.

As stated in the 2000 Data, the Office of Risk Compliance will discontinue using the BERR methodology for indicators "total error rate (total of misrepresentation, program vulnerabilities, and unintentional errors)". These measures are dependent on the Manual 14 quality control reporting requirement found in the Standard Reinsurance Agreement (SRA). We are replacing this measure with a new measure "Error rate " calculated from Manual 14. The Office of Risk Compliance has a 95 percent confidence level that the error rate for FY 2000 is 4.42% and encompasses the policies in error for the whole program. The new measure is reflected in the revised FY 2002 and revised FY 2001 Annual Performance Plan.

Performance measure "*percent of programs goals and services with actual costs aligned*" has been discontinued because it is no longer a feasible measure.

Current Fiscal Year Performance: The actual performance levels for Fiscal Year (FY) 2000 will impact the estimated levels of performance for FY 2001. The FY 2000 Plan was significantly affected by the June 2000 passage of the *Agriculture Risk Protection Act of 2000 (ARPA)* and the implementation requirements that diverted a substantial amount of our programmed resources to meet the new mandated requirements. Regional Compliance Offices (RCOs) were unable to complete 31 planned program reviews because of a shortage of 12 FTEs and unprogrammed ARPA related activities. The investigation case-load increased significantly during the year yet the RCOs were able to close 194 cases during the FY. The year ended with approximately 700 cases remaining open. With the introduction of data-mining techniques and the ARPA mandated referrals from the Farm Service Agency (FSA) , we anticipate an increase in the case-load.

During FY 2000 RMA monitored and tracked 151 OIG hotline cases and turned over 90 hotline leads to the OIG for further action. This work level is expected to remain constant for the first half of FY 2001, however, as expanded cooperation with the Farm Service Agency (FSA) continues to develop this may indirectly generate more hotline referrals in the second half of FY 2001 and beyond.

Program Evaluations: To effectively ensure that the Office of Risk Compliance meets its goal of reducing program vulnerabilities, the Office of Risk Compliance relies on a variety of internal and external assessments to evaluate its performance. Internal assessments such as program reviews coupled with external assessments conducted by the OIG and GAO evaluators serve to provide senior management a snapshot of how well the agency is performing its mission as well as providing indicators where improvements can be made. We also continue to investigate complaints and allegations received from a variety of sources such as producers, agents, and the OIG hotline.

The associated cost savings from the efforts of the six Regional Compliance Offices (RCOs) can be measured in both direct and indirect savings. Though the direct savings are the easiest to measure, they are not the sole result. The preventative aspects of our reviews often outweigh the direct savings. Reducing risks, improving controls, and making recommendations, that improve overall program performance, provides cost avoidance savings that can far exceed the direct savings.

Reviews conducted by the RCOs can result in monetary findings that result in recommendations made to the Reinsurance Services Division to deny reinsurance due to agents operating without proper licenses or performing loss adjustment activities. Reviews can also identify areas where the exposure to risk due to insurance providers' application of uninsured causes of loss and reduction in reported acreage that failed to meet insurance eligibility resulting in cost avoidance.

Program reviews also examine new and existing programs to ensure policy provisions and their modifications continue to serve their intended purpose, for example:

- The Northern Regional Compliance Office (NRCO) conducted a review of Cultivated Wild Rice, a pilot program, for the purpose of examining the implementation of new policy provisions.
- The Central Regional Compliance Office (CRCO) working with the insurance provider investigated a producer's poor farming practice resulting in the claims being denied. The projected savings for the non-payment of these claims were \$280,000.

- The Southern Regional Compliance Office (SRCO) working with the Office of Inspector General identified fraudulent prevented planting claims involving three producers. The Assistant U.S. Attorney accepted the case for prosecution.
- The Western Regional Compliance Office (WRCO) conducted a Disaster Assistance Program (DAP) Review for the purpose of determining if producers accurately reported information in their *Acreage Report and Application for Insurance* and disclose area of noncompliance regarding FCIC approved policies and procedures. The review uncovered errors in share, unit structure, and insurable entities.
- The Risk Operations Division (ROD) conducted a High Loss Ratio Review designed to evaluate the reason for high loss ratios and to determine that losses were properly determined. The review resulted discovered that the Crop Year 1998 high loss ratios were caused by a combination of program weaknesses and adverse weather conditions. Recommendations were made to address the program vulnerabilities and program areas needing improvement.

Agriculture Risk Protection Act of 2000 (ARPA). ARPA was enacted in June 2000 and mandated new requirements in the area of program compliance and integrity that have yet to be fully implemented, but the Act did not cause us to change Strategic Goal #1 (To strengthen the safety net for agriculture producers through sound risk management programs and education) or the supporting Performance Goal. Instead, ARPA has caused us to re-examine our business processes, reassess our organizational structure, re-evaluate the various governmental, insurance industry, private sector, and academia partnerships and determine the impact on our organizational culture, values, and the business environment in which we operate. These actions are significant and evolutionary in nature and will continue for the foreseeable future.

Additionally, during FY 2000, the Office of Risk Compliance entered into a Cooperative Agreement with Montana State University (MSU) through the USDA Office of Outreach. The objective was for MSU to assist the Office of Risk Compliance in their compliance program initiatives and develop contracts to develop a data-mining and data-warehousing program to more effectively and quickly identify trends, anomalies, and relationships between insurance agents, adjusters, and producers in crop and crop insurance data provided by USDA/RMA indicative of excess claim over actual crop loss.

This original RMA initiative was augmented with a separately funded initiative with Tarleton (TX) and Bradley (IL) Universities for data mining, data warehousing, and other information technologies. Through analysis of the data the Office of Risk Compliance plans to significantly enhance its risk compliance enforcement capabilities and reduce program waste, fraud, and abuse. Using trend analysis and other indicators provided by these systems we will have the capability to become more proactive and aggressive in managing and monitoring program integrity.

Another significant measure instituted in FY 2000 was the establishment of a Special Investigation Branch (SIB) within the Office of Risk Compliance. The SIB is designed to dispatch investigators or investigation teams quickly to high-profile cases or other contingencies as determined by the Deputy Administrator for Risk Compliance. The SIB has national jurisdiction across all regions and has strategically located across the nation. The SIB capability is similar to the insurance industry's Special Investigation Units (SIUs) initiatives and go far beyond the requirements of ARPA for conducting timely investigations. The SIB became fully operational during the first quarter FY 2001.

These new initiatives coupled with on-going efforts moves RMA into a better position to ensure even a higher level of program integrity in the Federal Crop Insurance Program than was envisioned even five years ago.

Center for Nutrition Policy and Promotion
FY 2000 Annual Program Performance Report

The Center for Nutrition Policy and Promotion (CNPP) was established December 1994 pursuant to a Memorandum of Understanding between USDA Research, Education and Economics and USDA Food, Nutrition, and Consumer Services. The mission of the Center is to improve the health of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. The Center contributes to the USDA goal of attaining a healthy, well-nourished population.

More information regarding CNPP's programs can be found in the CNPP Strategic and Annual Performance Plans at www.usda.gov/cnpp. The following tables provide summary information on CNPP's achievement of FY 2000 Performance Goals. Only Federal employees were involved in the preparation of this report.

Strategic Plan Goal 1: Improve the Nutritional Status of Americans.

Objective 1: Advance food and nutrition guidance.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
1.1 Disseminate and increase awareness of the <i>Dietary Guidelines for Americans</i> , to help Americans improve their nutritional status:			
Wide dissemination of the revised bulletin <i>Nutrition and Your Health: Dietary Guidelines for Americans</i> through health professional networks and the media, after official release by USDA in FY 2000.	Research conducted, Dietary Guidelines Advisory Committee meets	<i>Dietary Guidelines for Americans</i> released by USDA	<i>Dietary Guidelines for Americans</i> released by USDA

2000 Data: The FY 2000 indicator for this goal does not lend itself to measurement by quantitative data. The release of the *Guidelines* during FY 2000 occurred as targeted.

Analysis of Results: The target for FY 2000 was met. *Nutrition and Your Health: Dietary Guidelines for Americans* was released May 27, 2000, by the President. This followed review by USDA and the Department of Health and Human Services (HHS) of the report received February 2, 2000, from the Dietary Guidelines Advisory Committee. This report contained recommendations for changes in the *Guidelines* and the Committee's rationale for these changes. Following receipt and release of the Committee report, public comments were accepted in writing and orally; these comments from the public were considered by the Departments in their review prior to finalizing the *Guidelines*.

Current Fiscal Year Performance: The major activities for FY 2001 are aimed to increase dissemination and awareness of the 2000 *Dietary Guidelines*; these activities are on target.

Program Evaluations: None conducted during FY 2000.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<p>1.2 Develop protocol for revision of the <i>Food Guide Pyramid</i> to reflect new nutritional standards and research on food consumption and composition:</p> <p>Publication of a protocol for assessing and revising the <i>Food Guide Pyramid</i> based on the year 2000 <i>Dietary Guidelines</i>, newly released nutrient intake standards (DRI), and updated food consumption information (CSFII).</p>	Research conducted	Research and development	Research and development underway

2000 Data: This goal does not lend itself to measurement by quantitative data. Research and development of a protocol for assessing the Pyramid did begin as targeted.

Analysis of Results: The target for FY 2000 was met. In FY 2000, the Center conducted research using the CSFII 1994-96 data and completed the update for key sections of the Food Guide research base: whole grains, enriched grains, and dark-green vegetables. The food guidance system that provides the research base for the *Food Guide Pyramid* is updated by comparing the nutritional adequacy of its recommendations with current food consumption patterns. This research compares the adequacy of diets that conform to food group recommendations, using nutrient profiles for each group or sub-groups that are based on current intakes. Loss of a professional staff member with programming expertise in this area slowed the progress on this aspect of the update. However, recruitment efforts are under way to obtain this expertise.

Current Fiscal Year Performance: In FY 2001, research on the *Food Guide Pyramid* using the 1994-96 consumption data continues, and planning to develop a protocol for assessment and revision is being initiated. These activities are on target.

Program Evaluations: None conducted during FY 2000.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<p>1.3 Expand dissemination of the <i>Food Guide Pyramid for Young Children (FGPYC)</i>:</p> <p>Number of professionals, target audience members receiving <i>FGPYC</i> through CNPP distribution.</p> <p>Number of copies of <i>FGPYC</i> distributed through FNS to their contacts.</p>	<p>Materials developed and released</p> <p>N/A</p>	<p>10,000 contacts</p> <p>150,000 copies</p>	<p>101,837 contacts</p> <p>765,000 copies</p>

2000 Data: The number of contacts by CNPP is compiled from internal records of copies distributed and from Web-tracking services for Web-site downloads. The number of copies distributed by Food and Nutrition Service (FNS) is obtained from FNS staff.

Analysis of Results: The target for FY 2000 was exceeded, demonstrating the continuing widespread interest in using the *Food Guide Pyramid for Young Children (FGPYC)* materials. Distribution of these materials by CNPP was through several channels, such as copies given to professionals at the American Dietetic Association meeting and other nutrition-related meetings and copies mailed to those requesting them. A total of 23,070 hard copies were

distributed. The widest distribution in FY 2000 by CNPP was through the Center's Web site, with 67,294 downloads of *FGPYC* posters and 11,473 downloads of the booklet. In addition, FNS distributed over 750,000 copies of *FGPYC* materials to Child Nutrition Program sponsors during FY 2000.

Current Fiscal Year Performance: Dissemination of *Food Guide Pyramid for Young Children* materials is on target and will continue throughout FY 2001.

Program Evaluations: None conducted during FY 2000.

Objective 2: Effectively promote food and nutrition guidance for all Americans.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
2.1 Develop nutrition promotion materials incorporating updated nutrition guidance from 5 th edition of <i>Dietary Guidelines (DG)</i> :			
Number of <i>DG</i> consumer bulletins to help Americans eat a healthful diet distributed.	Development of materials	Release, distribution of 100,000 copies	262,000 bulletins printed, estimated distribution of 7,700
Number of <i>DG</i> consumer bulletins downloaded from CNPP Web site.	Development of materials	100,000 downloads	133,102 copies downloaded
Number of <i>DG</i> materials targeted by content or audience developed.	N/A	Planning	Planning

2000 Data: The number of bulletins printed and distributed is compiled from internal records. Number of downloads is based on Web-tracking services.

Analysis of Results: The target for downloads of consumer materials was met; the target for distribution of print copies was not met.

Description of Actions and Schedules: More copies of the 40-page *Dietary Guidelines* bulletin *Nutrition and Your Health: Dietary Guidelines for Americans* were printed than estimated, but these print copies were not received until late in the fiscal year. While distribution was begun, the bulk of distribution did not occur until early in FY 2001. The number of downloads of the bulletin indicate the demand for this information by professionals and consumers.

Current Fiscal Year Performance: Dissemination and development of additional materials are continuing in FY 2001; these activities are on target.

Program Evaluations: None conducted during FY 2000.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
2.2 Identify use of and barriers to following the <i>Food Guide Pyramid</i> and develop targeted messages that will help consumers overcome those barriers:			
Administrative report completed on use of and barriers to following the <i>Food Guide Pyramid</i> , and recommended targeted messages.	N/A	Research	Research funding proposals submitted

2000 Data: This goal does not lend itself to measurement by quantitative data. Research funding proposals were submitted during FY 2000, but research was not begun because funding has not been obtained.

Analysis of Results: The target was not met in FY 2000.

Description of Actions and Schedules: To date, CNPP has been unable to obtain funding for a consumer research study to identify use of and barriers to following the *Food Guide Pyramid* and develop targeted messages that will help consumers overcome those barriers. One proposal for funding that was submitted is still pending, and if funded, would allow this research to begin in FY 2002.

Current Fiscal Year Performance: Consumer research is still planned, pending availability of funds.

Program Evaluations: None conducted during FY 2000.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
2.3 Expand use of CNPP food and nutrition guidance by influencing intermediary groups and information multipliers including policy makers, nutrition professional and educators, nutrition program managers and the media:			
Amount of Web page usage (hits)	22,200/wk	24,420/week	21,902/week
Seminar and symposium attendance	1,053	726	1,335
Number of media contacts	1,960	2,156	2,640

2000 Data: Registration forms; press releases; Web-tracking data; and media call-sheets, sign-in sheets, and a database are used to profile the extent that CNPP expands its food and nutrition guidance to different audiences.

Analysis of Results: Targets for seminar attendance and media contacts were met; the target for Web-page usage was not. The Center sponsored three well-attended symposia in FY 2000: *Dietary Behavior: Why We Choose the Foods We Eat*, 11/3/99; *The Great Nutrition Debate*, 2/24/2000; and *Nutrition and Aging: Leading a Healthy, Active Life*, 9/28/2000. Media coverage was heavy, with CNN, ABC, ABC Radio, AP, Reuters, and Knight-Ridder participating. The second symposium, *The Great Nutrition Debate*, attracted the largest media coverage for any event in the history of USDA, with 17 television cameras representing all of the major television networks and cable news programs. A large contingent of print media also attended. For interviews or information on breaking nutrition research and other stories, CNPP is routinely contacted by news organizations such as *The Washington Post*, *The New York Times*, *USA Today*, *U.S. News and World Report*, *Newsweek*, and all of the major television news and news magazines. CNPP typically receives about 20 telephone calls each week from the news media. In addition,

CNPP coordinates the release of information to the press through the USDA Office of Communications. About 1,600 media contacts were made (approximately 200 for each of the three symposia and about 1,000 for the release of each of the five Nutrition Insights). During FY 2000, the CNPP Web site experienced 1.1 million hits, an average of 3,111 each day or 21,777 hits per week. The three most actively visited pages were the *Dietary Guidelines for Americans*, materials related to the *Food Guide Pyramid for Young Children*, and *Recipes and Tips for Healthy, Thrifty Meals*.

Description of Actions and Schedules: The assumption was made that with 22,200 hits per week in FY 1999, and with the Center's Web site becoming more well known and additional information being added throughout the year, a 10-percent increase for FY 2000 from the previous year or a target goal of 24,420 could be expected. However, the number of hits in FY 2000 were slightly less than those in FY 1999. One possible explanation for this downturn is that during FY 2000, there were server problems at USDA, resulting in periods with less accessibility of the Web site.

Current Fiscal Year Performance: In FY 2001, CNPP is planning to continue its symposium series, based on the current Administration's initiatives and is continuing to updating its Web site to increase public awareness of cutting-edge nutrition issues. We anticipate this target will be met.

Program Evaluations: No formal program evaluation of the communication of nutrition guidance was conducted during FY 2000. However, informally the Center has received praise and support from the office of the Secretary, the Under Secretary, professional associations, trade associations, other agencies, and the media.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
2.4 Expand dissemination of consumer nutrition education materials based on the updated Thrifty Food Plan to nutrition educators working with food stamp audiences:			
Updated Thrifty Food Plan and menu/recipe guide disseminated to Food Stamp Program (FSP) staff.	TFP released, consumer materials in development	Disseminate to FSP staff	Materials disseminated to FSP staff
Number of consumer education materials disseminated	N/A	Develop consumer materials	Materials developed and released

2000 Data: Information concerning the distribution of TFP-based (Thrifty Food Plan) consumer materials to Food Stamps offices was received from the Food and Nutrition Service. Additional distribution information was compiled from internal records.

Analysis of Results: The target for FY 2000 was met. A consumer publication *Recipes and Tips for Healthy, Thrifty Meals*, based on the updated Thrifty Food Plan, was developed by CNPP. This publication includes 2 weeks of menus, recipes, and food lists, along with tips for purchasing and preparing food. About 2 million copies of this publication were printed in collaboration with the Food Stamp Program of the Food and Nutrition Service. Distribution of the publication to all Food Stamp State Agencies nationwide was handled by the Food and Nutrition Service. The distribution was based on the proportion of food stamp households up to a maximum cap. In addition, all State Food Stamp nutrition education coordinators received a copy of the publication. *Recipes and Tips for Healthy, Thrifty Meals* was also made available to professionals and the public through the Center's Web site, and 30,890 copies of the publication were downloaded during FY 2000.

Current Fiscal Year Performance: Distribution of *Recipes and Tips for Healthy, Thrifty Meals* is continuing in FY 2001.

Program Evaluations: None conducted during 2000.

Objective 3: Contribute to improved nutrition policy formulation.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<p>3.1 Provide useful, timely information to policymakers and nutrition program managers regarding American dietary behavior and nutritional status:</p> <p>Policymakers and nutrition program managers use of analysis, reports, major publications, Nutrition Insights, the Healthy Eating Index as a diet quality report card.</p>	Survey not conducted	Policy Maker/Program Manager survey design	Survey was not conducted; Insights and reports developed

2000 Data: Development of a survey does not lend itself to measurement by quantitative data. Data on the Insights and reports are based on the number written and distributed.

Analysis of Results: The target was not met. CNPP, however, continued providing timely information to policy makers and nutrition managers. Nutrition Insights on current, relevant nutrition topics were developed and sent to policymakers and nutrition program managers. This publication was also sent to nutrition educators and researchers. These Nutrition Insights included the following: *Beliefs and Attitudes of Americans Toward Their Diet*, *Eating Breakfast Greatly Improves Schoolchildren's Diet Quality*, and *Food Insufficiency and the Nutritional Status of the Elderly Population*. Also, about 2000 copies of these Insights were mailed as part of CNPP's mail distribution list; the Insights were also available for downloading from the CNPP Web site. CNPP contributed to the work of the Interagency Forum on Aging-related Statistics, a coalition of nine Federal agencies. In the Forum's description of the overall status of the U.S. population age 65 and older, in *Older Americans 2000: Key Indicators of Well-Being*, the Healthy Eating Index was one of the indicators used to examine aspects of social and health behaviors that may threaten health.

Description of Actions and Schedules: A more realistic target was established for FY 2001 (to provide analysis to policymakers and professionals; to publish 10 Nutrition Insights/other reports). We anticipate this target will be met.

Current Fiscal Year Performance: Publication of Nutrition Insights and other studies continues, including those to be published as research articles or research briefs in our peer-reviewed journal.

Program Evaluations: None conducted during FY 2000.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<p>3.2 Update and expand the Food Supply Data Series to include new, nutritionally improved, functional, and fortified foods to support mandated nutrition monitoring efforts; and utilize the new capabilities accorded by the Interactive Food Supply Methodology to frequently update and electronically publish the Series:</p> <p>New foods included in the Food Supply Data Series.</p>	N/A	Report update, Release of Interactive National Food Supply	Report updated for the years 1909-97; interactive version released

2000 Data: The data are based on publication of the report and inclusion of new foods in the series.

Analysis of Results: The target was met. The Food Supply Series now better accounts for consumption of certain foods (romaine and leafy lettuce, kiwi fruit, mangoes, and lowfat milk), compared with previous reports. Additionally, fortified flours and ready-to-eat cereals were updated to reflect these foods in the marketplace. Including the most recent data, the *Nutrient Content of the U.S. Food Supply, 1909-97* is in press; 500 copies will be distributed, and the report will be available on CNPP's Web site. This 130-page report includes information on trends in the availability of foods, food energy, and nutrient levels. The interactive version was released in September 2000 via the CNPP Web site. It allows users to calculate quickly food-supply nutrients, fortifications, and serving estimates of the *Food Guide Pyramid* for 1909-1997, which includes the most recent data.

Current Fiscal Year Performance: Updates are being conducted for the years 1909-99. Updates will reflect per capita food consumption data through 1999, the most up-to-date data available. The Center anticipates meeting this target.

Program Evaluations: None conducted during FY 2000.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<p>3.3 Provide policymakers a "report card" on American diet quality:</p> <p>Provide Healthy Eating Index (HEI) scores for Americans, sub-groups.</p>	Analysis published, HEI used by others	Analysis published, presented; HEI included in Healthy People 2010; Analyses using the HEI and National Health and Nutrition Examination Survey III	Analysis using the HEI was published; Food Guide Pyramid recommendations were included in the Healthy People 2010 initiative

2000 Data: The data are based on the number of publications or reports that include analysis of HEI data and whether information regarding the HEI appeared in the Healthy People 2010 Initiative.

Analysis of Results: The target was not met. The committee that oversees the Healthy People 2010 Initiative decided to use *Food Guide Pyramid* recommendations, rather than the HEI, as an indicator of healthful eating. (Pyramid recommendations are, however, part of the HEI.) CNPP, however, did use several sources of data to examine healthful eating: the National Health and Nutrition Examination Survey III (NHANES), the Continuing Survey of Food Intakes by Individuals (CSFII), and a survey from the Marketing Research Corporation of America (MRCA). From analysis of these data sets, CNPP published three reports: (1) the effect of children eating breakfast, particularly a school breakfast (CSFII), and dietary status; (2) a study of people's beliefs and attitudes toward their diet and healthful eating (MRCA); and (3) a proposed model for examining diet quality and health status (NHANES).

Description of Actions and Schedules: A more realistic goal was established for FY 2001: "Maintain and update Healthy Eating Index."

Current Fiscal Year Performance: Additional analysis, using the HEI as an outcome measure, is planned. We anticipate this target will be met.

Program Evaluations: None conducted during FY 2000.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
3.4 Assist in the development and analysis of U.S. food security policy:			
CNPP analysis contributes to USDA Food Security Initiatives	"U.S. Action Plan on Food Security" published	N/A	N/A
Identify gaps in methodology used to collect food security information on elderly population	N/A	Recommendation on Survey Questionnaire Design	Recommendations provided

2000 Data: This goal does not lend itself to measurement by quantitative data. Recommendations are based on the Center's contribution to the working group's discussions.

Analysis of Results: The target was met. Several agencies were involved in the development of a questionnaire that gauges the level of food security/hunger in the United States. It is the only Federal survey assessing food security/hunger. The Center provided recommendations to a working group, of the Economic Research Service, which focused on issues related to the design of this questionnaire.

Current Fiscal Year Performance: As of FY 2001, this performance goal is no longer in the Center's strategic plan.

Program Evaluations: None conducted during FY 2000.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
3.5 Provide updated Healthy Eating Index (HEI) to reflect the year 2000 <i>Dietary Guidelines for Americans</i> : Research leading to a technical administrative report completed using 1994-1996 consumption data and results reported in peer-reviewed journals and at professional meetings.	N/A	Research begins	Research funding proposals submitted

2000 Data: This goal does not lend itself to measurement by quantitative data.

Analysis of Results: The target was not met in FY 2000. To date, CNPP has been unable to obtain funding to complete the technical research needed to update the Healthy Eating Index to reflect the year 2000 *Dietary Guidelines for Americans*. One proposal was submitted for funding to a Government agency.

Description of Actions and Schedules: On November 14, 2000, CNPP submitted another proposal for funding.

Current Fiscal Year Performance: As of FY 2001, this performance goal is no longer in the CNPP's strategic plan.

Program Evaluations: None conducted during FY 2000.

Objective 4: Enhance efficient development of food and nutrition guidance materials for the American public, including nutrition assistance recipients.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
4.1 Assure timely release of consistent Federal nutrition educational materials: Number of materials reviewed and released by Dietary Guidance Working Group (DGWG).	15	17	16

2000 Data: The number of materials reviewed and released is based on an actual count as reported in the Dietary Guidance Working Group Annual Report, which summarizes the documents reviewed and their dispensation.

Analysis of Results: The target for FY 2000 was not met. As expected, the number of materials submitted for review increased in 2000 to 16 from the 15 materials reviewed in FY 1999, but the increase was slightly less than the target. The materials reviewed by this group are dietary guidance materials for the general public developed by USDA or Department of Health and Human Services (HHS) agencies. They may include brochures, curricula, posters, or any other consumer materials. CNPP currently chairs the Dietary Guidance Working Group, consisting of representatives from agencies in USDA that typically prepare nutrition education materials, to ensure that nutrition education materials for the general public released by the Federal Government are consistent with the *Dietary Guidelines*. While the trend for increased numbers of materials to review is expected to continue for the next several years, it is difficult to determine exactly how many will be submitted in a given year by other USDA and HHS agencies. However, all materials submitted during FY 2000 to the Dietary Guidance Working Group by USDA or HHS agencies were reviewed by the committee, and comments were provided to the originating agency.

Description of Actions and Schedules: Efforts were made during FY 2000 to streamline the process of reviewing dietary guidance materials. Materials are now sent electronically by CNPP to agencies for review, whenever possible, and agency comments are also received electronically. In addition, a Web site to further streamline this process is now online.

Current Fiscal Year Performance: Review of materials is continuing in FY 2001; materials are reviewed as received.

Program Evaluations: None conducted during 2000.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
4.2 Promote nutrition education and guidance cooperatively through public/private partnerships:			
Partnerships	12	12	14
Materials	N/A	2	2

2000 Data: The number of partnerships is based on an actual count by Center staff of partnerships with private sector companies to promote nutrition education/guidance, and of the number of materials produced in partnership with companies.

Analysis of Results: The target for FY 2000 was met. In FY 2000, two additional partnerships were formed. One was with a national food company that created educational materials using the *Food Guide Pyramid for Young Children (FGPYC)*. The other was with the National Academy of Pediatrics, which made plans for the distribution of approximately 62,000 copies of the *FGPYC* poster to all of its members. These new partnerships were in addition to the 11 national food companies and the national parenting magazine that had signed a memorandum of understanding with USDA in FY 1999 to work together to promote the *FGPYC*.

Current Fiscal Year Performance: The Center is continuing collaboration with potential partners in FY 2001, and activities are on target.

Program Evaluations: None conducted during FY 2000.

Objective 5: Improve measures of consumer expenditures and cost analysis.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
5.1 Increase States' use of CNPP's annual report on <i>Expenditures on Children by Families</i> in setting child support and foster care payments:			
States reporting referring to CNPP cost estimates in setting support levels	N/A	50% of States' use	Target not assessed

2000 Data: No data were collected for this goal in FY 2000.

Analysis of Results: Because the target was not assessed, CNPP is not sure what percentage of States used the cost estimates. Thus, CNPP is not sure whether the target was met. The target would involve an expensive survey of each State, thus it was deemed unrealistic. However, CNPP was successful in distributing about 2,000 copies of the 1999 report. In FY 2000, there were 6,700 downloads of the 1998 report and 3,414 downloads of the 1999 report (based on Web-tracking services).

Description of Actions and Schedules: A new target was developed for FY 2001 that is more realistic—that *Expenditures on Children by Families* will be updated to reflect costs for the year 2000. We anticipate this target will be met.

Current Fiscal Year Performance: Publication of the next update of *Expenditures on Children by Families* is currently planned. CNPP anticipates this target will be met.

Program Evaluations: None conducted during FY 2000.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
5.2 Maintain USDA Food Plans and calculate monthly costs of food plans: Thrifty, Low-Cost, Moderate-Cost, and Liberal food plans updated	Recipes tested	Thrifty Food Plan released and monthly updates accomplished	Thrifty Food Plan released and monthly updates accomplished

2000 Data: The number of updates released is compiled from internal records of copies distributed, print orders, and from Web-tracking services.

Analysis of Results: The target for FY 2000 was met. *The Thrifty Food Plan, 1999, Executive Summary*, and *The Thrifty Food Plan, 1999, Administrative Report* were published. About 2,000 copies of the executive summary and 1,000 copies of the administrative report were distributed to interested parties; the executive summary was also made available on the CNPP Web site: about 8,000 copies were downloaded (based on Web-tracking services). In addition, *Recipes and Tips for Healthy, Thrifty Meals* was published. (The publication is based on the administrative report.) About 1 million copies of *Recipes and Tips for Healthy, Thrifty Meals* were printed, and distribution to food stamp households nationwide began; 30,890 copies were downloaded from the CNPP Web site. Regarding the monthly updates, 16,857 copies were downloaded over the fiscal year; about 500 copies each month were also sent by mail.

Current Fiscal Year Performance: Distribution of publications and monthly updates of the food plans are continuing. CNPP is updating the other food plans: Low-Cost, Moderate-Cost, and Liberal. We anticipate this target will be met.

Programs Evaluations: None conducted during FY 2000.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<p>5.3 Extend scientific information on family economics and nutrition to professional peers through <i>Family Economics and Nutrition Review</i>, the Web site, and other publications:</p> <p><i>Family Economics and Nutrition Review</i> subscriptions (and downloads) grow 10 percent.</p>	2200 subscriptions	Baseline established	850 active subscribers; 900 copies to depository libraries; 7,611 downloads

2000 Data: Data on subscriptions are based on actual counts from the Government Printing office, Web-tracking services, and internal reports of CNPP.

Analysis of Results: The target was met. From the Government Printing Office, 850 copies were sent to active subscribers and about 900 were forwarded to depository libraries. The Center also distributed another 600 copies to individuals on its mailing list. There were 7,611 downloads of the Review. CNPP extended the scientific information on family economics and nutrition by providing two issues of the journal, one of which was a double issue that focused on the *Food Guide Pyramid for Young Children*. Besides offering more research articles (seven) in the journal, CNPP provided more research briefs (six), and research summaries (10). For the first time, a scientific "Commentary" was provided. To promote the journal, CNPP distributed it at two major conferences: the annual conventions of the American Dietetic Association (attended by several thousand professionals) and Society of Nutrition Education (attended by 700 to 800 hundred). The journal was also promoted at a conference, sponsored by the Department of Health and Human Services, that related to the Healthy People 2010 Initiative, a national effort that identifies opportunities to improve the health of all Americans.

Current Fiscal Year Performance: CNPP will continue to ensure that the journal is widely disseminated. We anticipate that with increased exposure at national conferences and access via our Web site, the FY 2001 target will be met.

Program Evaluation: In FY 2000, an internal preliminary evaluation of the status of the Review was conducted. Participating in this evaluation were CNPP's editors of the Review, the staff director responsible for publication of the Review, the director of public information, and the executive director. This discussion centered on resources needed to publish the Review and style changes that would meet the needs of the readers.

FOOD AND NUTRITION SERVICE

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The Food and Nutrition Service (FNS) is the Federal agency responsible for managing the domestic nutrition assistance programs. Its mission is:

To increase food security and reduce hunger in partnership with cooperating organizations by providing children and low-income people access to food, a healthful diet, and nutrition education in a manner that supports American agriculture and inspires public confidence.

For more information on the programs, their structure and impacts, and their statutory authorities, please see the *FNS Strategic Plan 2000 to 2005*, and the FNS Annual Performance Plans. Only Federal employees were involved in the preparation of this report.

The following table summarizes information on FNS's achievement of fiscal year 2000 performance goals. (FY 1999 data not reported in FNS's FY 1999 Annual Performance Report are shown in italics.)

FNS PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance		
		FY 1999 Actual	FY 2000 Target	FY 2000 Actual
Goal 1: Enhanced Food and Nutrition Security for Low- income Americans	Restore participation in the Food Stamp Program (FSP) of authorized categories of legal immigrants excluded from participation under the 1996 welfare reform law Number of legal immigrants participating in the FSP	166,000	225,000	available 7/01
	Increase availability of information for low-income Americans about nutrition, resource management and community nutrition education Increased number of households receiving FSP nutrition education	80,627	163,500	962,508
	Increased percent of able-bodied adults without dependents (ABAWDs) offered work or training slots	15%	>15%	19.8%
	Maintain payment accuracy in the delivery of Food Stamp Program benefits FSP Payment Accuracy rate States qualifying for enhanced funding	90.14% 6	90.5% 8	Available 5/01
	Increase claims collections to recover program losses and deter recipient overpayments Percent of newly established claims collected State-reported claims collected	69% \$213 million	71% \$215.8 million	87.6% \$219 million
	Maintain baseline number of sanctions against violating stores Number of sanctioned stores	1,365	1,365	1,349
	Reduce percentage of authorized stores that do not meet regulatory eligibility requirements for type and amount of foods sold	1.54%	1.54%	1.48%
	Increase States/Territories issuing benefits by electronic benefits transfer (EBT)	40	42	42
	Simplification of program administrative requirements Number of CFR pages of FSP requirements Number of program waivers remaining (i.e., not eliminated because they are no longer needed by States)	431 960	354 800	440 941
	Increased access to nutritional information and expertise for school food service personnel Number of schools receiving Food Buying Guide	0	50,000	0
Goal 2: Healthful Diets for School Age Children	Full implementation of School Meals Initiative monitoring by the States Number of School Meal Initiative Monitoring reviews conducted by States	2,937	3,200	3,939
	Increased number of schools which meet the <i>Dietary Guidelines</i> Number of SFAs reviewed which require no corrective action to meet the <i>Dietary Guidelines</i>	777	480	782
	Increased use of nutrition education resource materials and messages by State and school personnel Average monthly inquiries to System by State and school personnel	4,180	2,140	5,154
	Increased compliance with program regulations regarding counting and claiming meals Percent of school food authorities (SFAs) in compliance with Performance Standard 1	86.1%	87%	Available 3Q FY 2001

Goal 3: Improved Nutritional Status and Health of Low-income Women, Infants and Children	States adopt initiatives to contain WIC food costs Food cost per participant	\$32.51	\$33.42	Available 4/01
	Improved vendor selection Number of violations	4,234	6,013	Available 5/01
	EBT implemented in additional States Number of states initiating EBT pilot projects for WIC	1	2	3
	Increased implementation of National Breastfeeding Campaign Number of States that implemented some or all of the campaign Increased breastfeeding rate	54 no data available	45 42%	55 Available 3/02
	Increased number of State agencies participating in the Farmers' Market Nutrition Program	39	54	39
	Increased recruitment and retention of qualified nutrition staff in the WIC Program Percent of WIC staff who are registered dietitians or RD-eligible Percent of WIC staff who are registered dietary technicians	No data available	50% 5%	Available Fall 01
	Increased consistency among States in the use of scientifically sound nutrition risk criteria Number of WIC State agencies using consistent risk criteria promulgated by FNS and the National Association of WIC Directors	88	All States (88)	All States (87)
	Expanded WIC services, service referrals, and coordination at Community Migrant Centers and Indian Health Service (IHS) facilities Percent of Community Migrant Health Centers (MHC) and IHS clinics co-located with WIC	No data available	80%	No data available
	Increased immunization of WIC pre-school children Immunization rate of WIC pre-school children for DPT Immunization rate of WIC pre-school children for IPV	80.3% 88.2%	95% 88%	
Goal 4: Improved Nutritional Status of Children in Day-Care Settings (CACFP)	Improved nutrition knowledge of CACFP providers Number of day care center providers receiving nutrition education materials	42,500	15,000	48,000
	Better targeted and higher quality program reviews of sponsors and providers by State agencies Number of reviews conducted	No data available	TBD	Data not available
	Increased participation of low-income children in CACFP Percent of CACFP children from low-income households	71.5%	75%	72.3%
Goal 5: Low-Income Children Consume Nutritious Lunches When School Meals Are Not Available (SFSP)	Barriers to schools and other sponsor participation removed Number of participating sponsors Number of participating sites Number of participating children	3,653 31,021 2.26 million	4,000 33,000 2.57 million	3,670 31,173 2.09 million
	Better targeted and higher quality State agency reviews of sponsors and providers Number of reviews conducted	—	Establish baseline	Data not available
Goal 6: Improved Quality Of Food Distribution Commodities and Services	Improved nutrition profile of commodity offerings Commodities added to, modified or deleted from the Foods Available List Number of communications addressing the healthful use/preparation of commodities distributed to customers	9 —	3 4	11 4
	Complete commodity specifications review project Work group recommendations developed		Complete report	BPR report completed; execution underway
	Increase number of automated business functions	8	16	6
	Identify the most effective food delivery system for FDPIR and CSFP Recommendations developed	—	Complete	BPR report completed; execution underway
	Redesigned FNS food distribution systems Short-term redesign underway	Broad BPR underway	Completion of redesign	BPR report completed; execution underway
	Improved communications with customers Number of updates distributed Number of hits on the Food Distribution Division (FDD) Internet home page	4 No data available	4 13,200	4 41,300
	Support Departmental gleaning/food recovery efforts Number of schools involved in gleaning/food recovery	No data available	10% over FY 99 level	No data available

MI 1: Continually Improve the Quality, Effectiveness and Diversity of the FNS Work Force	Hire top-quality individuals and improve employees' work skills Number of Outstanding Scholars hired at entry level Effectiveness of training	4	4 >70%	0 data not available
	Improve the physical work environment Number of smaller-than-standard work stations	Replaced 24%	Replace 50%	Replaced 48%
	Number of work stations that are ergonomically suitable for computers and peripherals	23% of baseline	5% of baseline	47% of baseline
	Continue to implement the agency Infrastructure Modernization throughout FNS Number of upgraded file servers	Pre-Pentiums replaced	Pentiums replaced with DEC Alpha	Pentiums replaced with DEC Alpha
	Assessment of telecommunications infrastructure	Capacity meets demand	Capacity meets demand	Capacity meets demand
	Improved diversity of FNS work force Percent of senior positions held by women	48%	≥46%	50%
	Percent of senior positions held by minorities	22%	24%	24%
MI 2: Maintain Continued Fairness in FNS Program Delivery	Days needed to issue a decision	90	90	90
	Number of appeals	3	4	2
MI 3: Users Have Accurate, Timely, Financial Data Available for Decision Making	Maintain progress in upgrading FNS's financial systems Foundation Financial Management System (FFIS), Department NFC financial systems upgrade Agency Financial Management System (AFMS) upgrade to client server technology National Data Bank (NDB) upgrade to data warehouse technology	Continue development Continue development Continue development	Continue development Continue development Continue development	Development continued Schedule adjusted Development continued
	Implement new or revised Departmental and Government-wide financial standards and policies Independent financial statement audit	Implement standards	Update financial standards	Updates made
	Improve data integrity and agency ability to produce timely, accurate and supported financial statements and other financial information Independent financial statement audits	Make progress	Make progress	Work completed timely; no material issues
	Improvement of the budget development process: Development Process	Actions completed	Automate spreadsheet/MAX interface	Completed
	Timeliness	Actions completed	Information provided timely	Timelines generally met
	Product Quality	Improvements achieved	Enhanced clarity and brevity	Improvements maintained/enhanced
	Continue progress towards full implementation of the Debt Collection Improvement Act (DCIA) Percentage of eligible delinquent food stamp recipient claims transferred to Treasury	100%	100%	100%
	Percentage of eligible delinquent food stamp retailer debts referred to Treasury	87%	90%	70%
	Correct identified internal control deficiencies in a timely manner Percentage of audits completed timely	90%	70%	91%
	Percentage of FMFIA material deficiencies corrected timely	87%	90%	80%

Data on FY 1999 performance is included in the text of this report only in cases for which data was not available for FNS's FY 1999 Annual Performance Report. For more information on FY 1999 performance, please refer to that report.

Goal 1: Enhanced Food and Nutrition Security for Low-income Americans

Objective 1.1: Enhanced nutritional security and food purchasing power of low-income Americans participating in the Food Stamp Program

Key Performance Goals:

<u>Restore participation in the Food Stamp Program (FSP) of authorized categories of legal immigrants excluded from participation under the 1996 welfare reform legislation</u>	
Number of legal immigrants participating in the FSP	
1999 Target:	225,000
1999 Actual:	166,000
2000 Target:	225,000
2000 Actual:	Data available July, 2001

2000 Data: The number of legal immigrants participating in the Food Stamp Program in fiscal year 2000 will be derived from household characteristics data obtained from Quality Control reviews of fiscal year 2000 Food Stamp Program case files. This data will not be available until July 2001, and will be reported in the Fiscal Year 2001 Annual Performance Report.

Data on the participation of legal immigrants in 1999 appears to be of inconsistent quality. Cases in which discrepancies were found, representing about 15% of the initial count, were eliminated from the sub-sample total, lowering the reported performance level. This is discussed further under Analysis of Results, below.

Analysis of Results: Fiscal year 2000 data is not available. Fiscal year 1999 data indicates that the program did not meet the performance target; roughly 166,000 legal immigrants who were excluded from participation under the 1996 welfare reform legislation participated in the program in fiscal year 1999.

This 1999 figure represents the lower bound of a range of potential legal immigrant participation levels suggested by the data. As noted above, cases representing approximately 30,000 FSP participants showed inconsistencies in classification as legal immigrants, and were eliminated from the subsample. To the extent that these cases do in fact represent legal immigrants who were excluded from participation under welfare reform, the figure above underreports program performance for this goal.

Restoring participation in the FSP to authorized categories of legal immigrants excluded by welfare reform legislation was a multi-step process, involving legislation to restore eligibility, promulgating rules to implement the law, monitoring State implementation, and providing program information to newly eligible immigrants. The necessary legislative steps to restore eligibility to the legal immigrants covered by this indicator, and State implementation of this legislation, were achieved in fiscal year 1999. Eligible legal immigrant participation for that year may not have reached the target for reasons similar to those contributing to declines in program participation as a whole and the percentage of eligible persons participating in the program.

In September 1998, 59 percent of all eligible individuals received food stamp benefits, a drop of 11 percentage points from its peak in 1994. Between 1994 and 1999, the number of people on food stamps fell nearly twice as much as the number of people in poverty. Given the uncertainty of the reasons for the decline, Congress has directed FNS to undertake a new study of reduced food stamp participation, and its implications for the emergency food system. While food stamp participation has dropped significantly in recent years, the decline in participation has leveled off in recent months, and caseloads have grown in some States.

Description of Actions and Schedules: FNS will continue its efforts to provide information to eligible legal immigrants about their potential eligibility.

Current Fiscal Year Performance: No target for this performance measure has been set for fiscal year 2001.

Program Evaluations: In FY 2000, FNS completed two reports on the characteristics of food stamp households: a full report on FY 1998 participants, and an advance report on FY 1999 participants. Both studies, which are based on analyses of Food Stamp Quality Control data, show that food stamp households are a diverse group. Because food stamps are available to most low-income households with few resources, regardless of age, disability status, or family structure, recipients represent a broad cross-section of the nation's poor.

Increase availability of information for low-income Americans about nutrition, resource management and community nutrition education	
Increased number of households receiving FSP nutrition education*	
1999 Target:	123,500
1999 Actual:	80,627
2000 Target:	163,500
2000 Actual:	962,508

2000 Data: Because the original metric used for this goal was determined not to be a valid measure of total increases in information available about nutrition, resource management and community nutrition education, FNS used an alternative approach to assess exposure to FSP nutrition education efforts.

Fiscal year 2000 data was compiled from reports of the "total number of persons reached" by States' nutrition education programs in fiscal year 2000 as part of the Nutrition Education Plan submitted with States' fiscal year 2001 application for nutrition education grant funds. This represents a far more comprehensive approach to assessing the scope of the program's nutrition education efforts than the measure originally proposed. However, the data reported was inconsistent in its quality. FNS is working to provide more specific and detailed guidance for reporting in this area in the State Plan Guidance for FY 2002.

In the Analysis of Results section, below, the Agency is reporting a number of measures of nutrition education scope and coverage. These include the total number of program participants reported to have received FSP nutrition education, the number of total direct nutrition education contacts, and the estimated number of "social marketing contacts," including broadcasts of public service announcements, newsletter articles, etc. FNS has used the number of program participants reported to have received FSP nutrition education, divided by the average number of participants in a Food Stamp household in fiscal year 1999 (2.4), to arrive at a figure for households receiving nutrition education comparable to the original performance target. To the extent that all members of a household did not participate in nutrition education, this figure would tend to underreport program performance; to the extent that all members of households of above-average size participate, it would tend to overreport program performance.

Fiscal Year 1999 data based on the originally-proposed measure is reported at the end of the Analysis of Results section below. This data reflects the number of Expanded Food and Nutrition Education Program (EFNEP) participants who participated in the Food Stamp Program upon entry into nutrition education. In general, EFNEP efforts are directed to a household's primary food preparer, so the figures track FSP households closely. However, in a small number of cases, more than one person from a household may participate in EFNEP, tending to overreport program performance. The data does not include low-income EFNEP participants who are children and receive nutrition education directly; to the extent that these children live in FSP households in which the primary food preparer does not participate in EFNEP, the data underreports performance.

* Performance metric has been revised; see 2000 Data section for explanation.

Analysis of Results: Based on the measurement approach described above, the program exceeded its performance goal in fiscal year 2000 by a wide margin. Nearly 1 million FSP households are known to have received nutrition education through the program.

Category	FY 2000 level
Reported FSP participants receiving nutrition education	2,310,020
Estimated FSP households receiving nutrition education ^o	962,508
Nutrition Education Contacts	
Social marketing "contacts" (PSAs, newsletters, etc.)	108,633,282
Direct contacts	4,726,321
TOTAL contacts	113,450,411

In addition to the participation figure reported above, a far larger number of direct and indirect nutrition education contacts were made through the program in fiscal year 2000. Notably, over 4.6 million of the nutrition education "direct contacts" shown in the table above were reported in States that did not report a participant figure; these contacts thus represent additional FSP nutrition education coverage beyond the household figure shown above, although the number of participants receiving these contacts cannot be estimated reliably with current data. (Reported social marketing contacts further illustrate the scope of nutrition education program coverage; however, the subset of these that reach program participants cannot be determined.)

FNS did not meet its fiscal year 1999 target for Food Stamp households receiving nutrition education through the Extension Service. In fiscal year 1999, 80,627 Food Stamp Program households received nutrition education, below the FY 1999 target of 123,500 households. This performance level reflects limits on the funding provided by Congress for nutrition education through USDA's Cooperative State Research, Education and Extension Service (CSREES).

Current Fiscal Year Performance: FNS plans to continue to pursue its efforts to encourage and support States in providing nutrition education to Food Stamp recipients. The agency is continuing to augment and refine its guidance and technical support to States. In fiscal year 2002, FNS will expand and improve its guidance for nutrition education performance reporting as part of the annual plan for nutrition education activities States must submit to FNS to receive nutrition education funding.

Program Evaluations: The following studies, reports and evaluations related to this goal were completed in FY 2000:

- FNS released *Dietary Intake and Dietary Attitudes Among Food Stamp Participants and Other Low-Income Individuals*, which used data from the 1994-1996 Continuing Survey of Food Intakes by Individuals and the Diet and Health Knowledge Survey, to examine the relationship between FSP participation and dietary attitudes and intake. The study indicates that low-income individuals place great importance on healthy eating and have moderate levels of nutrition knowledge; they are aware of some key aspects of the link between nutrition and health and of what constitutes healthy eating, but are unaware of other key aspects. The study also found little difference in dietary intake between FSP participants and low-income nonparticipants, suggesting that the economic resources provided by FSP benefits may not substantially change participants' eating habits if not complemented with nutrition education to help participants make healthy food choices.
- The Economic Research Service (ERS) released a study on "Maternal Nutrition Knowledge and Children's Diet Quality and Nutrient Intakes" that found significant evidence that the more a mother

^o Figure represents the number of reported FSP participants receiving nutrition education, divided by the average size of a Food Stamp household in fiscal year 1999 (2.4 people).

knows about health and nutrition, the better is the overall quality of her children's diet, for preschoolers more so than older children. The study also found that a mother's years of schooling, smoking status, race, and ethnicity influence her children's diet. The results suggest that health and nutrition education may be more effective if targeted toward mothers with young children, but directly toward school-age children.

- ERS released a study on "The Effect on Dietary Quality of Participation in the Food Stamp and WIC Programs". The study found that participants in the Food Stamp Program consume more meats, added sugars, and total fats—closer to the levels consumed by higher-income groups—than they would in the absence of the program, while their consumption of fruits, vegetables, grains, and dairy products stays about the same. Participants in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) consume significantly less added sugars, which may reflect the substitution of WIC-supplied juices and cereals in place of higher sugar soft drinks and cereals. This study used data on low-income Americans from the Continuing Survey of Food Intake by Individuals.

Increased percent of able-bodied adults without dependents (ABAWDs) offered work or training slots

Target: >15%

Actual: 19.8%

2000 Data: The percentage of ABAWDs offered work or training slots was derived by dividing the monthly average number of slots offered based on information reported by States on their FNS-583, Employment and Training Reports (98,417), by the estimated monthly ABAWD population (498,000), which is based on a combination of data from the 1999 Quality Control file and State-supplied estimates of the numbers of ABAWDs who either live in waived areas or have been granted exemptions from work requirements.

Analysis of Results: The program exceeded the target for this measure. The increase in the percentage of ABAWDs offered work or training slots is due mainly to States' increased outreach efforts. The monthly average number of at-risk ABAWDs is small enough to allow States to effectively target resources toward them. In addition, in fiscal year 2000, two additional States offered a qualifying opportunity to every at-risk ABAWD within their boundaries.

Current Fiscal Year Performance: No target for this performance measure has been set for fiscal year 2001. However, FNS is continuing its efforts to provide work and training opportunities to ABAWDs in fiscal year 2001.

Program Evaluations: The following studies, reports and evaluations related to this goal were completed in FY 2000:

- The General Accounting Office (GAO) issued a report on USDA's process of granting States' requests for waivers of Food Stamp Program work requirements for able-bodied adults without dependents. The report describes how States have used the waiver provision, and reviews whether or not FNS and States have considered the availability of jobs in neighboring jurisdictions in the waiver selection and approval process. The GAO reports that FNS has generally granted States' waiver requests if the requested areas had unemployment rates above 10 percent or if the area had an insufficient number of jobs. While the GAO identified other possible circumstances that could be used by FNS when evaluating waivers (such as the availability of employment in adjacent areas), these are not identified in the legislation as part of the Agency's required review.

Objective 1.2: Improved program integrity

Key Performance Goals

Maintain payment accuracy in the delivery of Food Stamp Program benefits

FSP Payment Accuracy rate

1999 Target: 90.1%

1999 Actual: 90.14%

2000 Target: 90.5%

2000 Actual: Data available May 2001

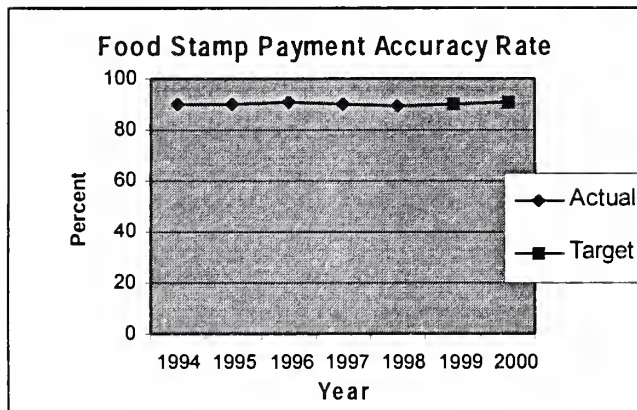
States qualifying for enhanced funding

1999 Target: 8

1999 Actual: 6

2000 Target: 8

2000 Actual: Data available May 2001



Year	Over-payment Rate	Under-payment Rate	Combined Payment Error Rate	Payment Accuracy Rate	Target
1994	7.7	2.7	10.3	89.7	
1995	7.3	2.4	9.7	90.3	
1996	6.9	2.3	9.2	90.8	
1997	7.3	2.5	9.8	90.3	
1998	7.6	3.1	10.7	89.3	
1999	7.01	2.85	9.86	90.14	90.1
2000	Data not available	Data not available	Data not available	Data not available	90.5

2000 Data: The payment accuracy and enhanced funding States data results from the statistically valid FSP Quality Control (QC) system, which reviews approximately 50,000 randomly selected food stamp cases annually. A sub-sample of these cases is reviewed for accuracy by FNS personnel; as a result, the agency has high confidence in the quality and reliability of this data. Fiscal year 2000 performance data comes from the review of fiscal year 2000 FSP food stamp cases and will not be available until May 2001. Results of the determined fiscal year 2000 payment accuracy rate will be reported in the Fiscal Year 2001 Annual Performance Report. Data for fiscal year 1999 is reported below.

Analysis of Results: As mentioned above, fiscal year 2000 data for this indicator is not yet available. However, early indications are that the program will achieve its payment accuracy goal of 90.5% in fiscal year 2000.

The payment accuracy rate for fiscal year 1999 was 90.14%, which exceeded the fiscal year 1999 target.

Six States received enhanced funding for high payment accuracy in fiscal year 1999, a level below the fiscal year 1999 target of eight States. A seventh State would have qualified for enhanced funding based on its low combined payment error rate; however, it was disqualified from enhanced funding because the QC negative error rate (errors in benefit denial and case closing determinations) was unacceptably high.

Description of Actions and Schedules: The goal is primarily a measure of State agency performance in meeting Federal requirements regarding benefit issuance; good performance thus relies primarily on the commitment of effort by our State partners, though FNS works to encourage and support benefit accuracy through financial incentives and technical assistance to States. FNS is pursuing a range of efforts with States to help them improve payment accuracy. (See Current Fiscal Year Performance, below.) The

Agency is hopeful that such efforts will result in additional States qualifying for enhanced funding in future years.

Current Fiscal Year Performance: FNS anticipates that improvement in benefit accuracy will be achieved in fiscal year 2000, and further improved in fiscal year 2001. The original target payment accuracy rate for fiscal year 2000 was revised upward to 90.5% in the Agency's fiscal year 2001 Annual Performance Plan. Based on early indications of fiscal year 2000 performance and the activities planned to support State improvement, FNS expects to meet or exceed the fiscal year 2001 payment accuracy target rate of 90.8%.

The most important factor in improving performance in this area is the need for our State partners to continue and renew their commitment to utilize findings from the QC system to improve payment accuracy. To support State improvement, FNS will support States in improving accuracy with "best practices" information-sharing, and seek opportunities to simplify program rules.

Program Evaluations: The following studies, reports and evaluations related to this goal were completed in fiscal year 2000:

- FNS released *Options for a National Database to Track Participation in Federal Means-Tested Public Assistance Programs: Report to Congress*, which responds to a Congressional mandate to examine options for the design, development, implementation and operation of a national database to track participation in Federal means-tested programs, and to examine current State agency efforts to identify interstate duplicate benefits. The report concluded that a national client database is feasible if it is properly configured. If developed for both the FSP and TANF, it would likely be cost-effective overall, but would probably increase Federal costs (while reducing State costs). Finally, it found that such a database could pose significant risks of exposing personal data to unintended uses.
- FNS prepared two reports on the use of biometric identification technology, such as finger-imaging, to reduce fraud in the Food Stamp Program. One report explores the experience of nine States with biometric identification technologies as of September 1999 and discusses some of the major policy and operational issues encountered during implementation and testing. The report found that, while States' concerns about the reliability of the technology, and the stigma that it might cause program participants, was generally unfounded, uncertainty remains about the extent to which this technology can reduce multiple participation fraud. The other report offers an overview of biometric identification technology, examining the functional capabilities, performance, and applications of the various technologies with a particular focus on finger imaging, the most commonly used and well known.
- In FY 2000, the General Accounting Office (GAO) issued a report examining whether improved data sharing among Federally funded benefit and loan programs could improve the accuracy of eligibility determinations in those programs. GAO found that the programs reviewed in its study—TANF, HUD housing, and student educational assistance—require similar information from individuals in order to determine eligibility for these programs. Although the Food Stamp Program is mentioned only briefly in the report, the GAO concludes that it, too, could benefit from data sharing with the programs studied by the GAO. The report recommended actions to streamline, improve and increase data sharing to prevent improper payments in Federal benefit and loan programs.
- In addition to the fiscal year 2000 reports listed above, GAO issued a report in January 2001, titled *FSP - States Seek To Reduce Payment Errors And Program Complexity*. The report identified States' efforts to minimize food stamp payment errors and examined what FNS has done and could do to encourage and assist the States in reducing such errors. GAO found that all States contacted had taken actions in recent years to reduce payment errors. State officials said their primary challenge to reducing errors stemmed from the priority their States have given to implementing welfare reform, which competes with FSP for management attention and resources. The report looked at FNS' use of financial sanctions and enhanced funding, reporting requirement changes for certain recipients, and the promotion of information exchange about successful initiatives between States, and concluded that all three approaches can help States reduce payment errors. The report also concluded that

simplifying the programs' rules offers an opportunity to reduce payment errors and promote program participation. GAO recommended that FNS (1) develop and analyze options for simplifying requirements for determining eligibility and benefits; (2) discuss these options with Congressional authorizing committees; and (3) if warranted, submit legislative proposals to simplify the program.

Increase claims collections to recover program losses and deter recipient overpayments

Percent of newly established claims collected

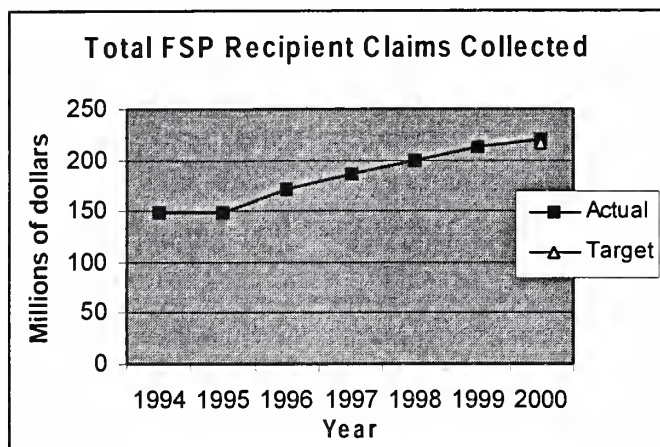
Target: 71%

Actual: 87.6%

State-reported claims collected

Target: \$215.8 million

Actual: \$219 million



Year	Claims collected (millions of dollars)	Target
1994	147.8	
1995	148.6	
1996	171.5	
1997	186.0	
1998	199.5	
1999	213	
2000	219	215.8

2000 Data: The new claims established and collection data is taken from specific line items in reports (FNS-209) submitted to FNS by States quarterly and subject to review for consistency by FNS. The collection data is reliable. The "percentage of newly established claims" measure specifically compares data from "the newly established" claims and collection line items found in FNS 209 reports. In past years both FNS and OIG have identified problems with accuracy of the information provided by States in terms of the historical number and value of unpaid recipient claims. Some State agencies could not support the unpaid balances reported in their FNS-209 reports. Other State agencies had backlogs of claims to be entered into their accounting systems.

FNS and State agencies are working to improve State controls and the accuracy and comprehensiveness of all of the information found in the FNS 209 reports. The data for this performance measure, however, is drawn from collection information and from information on the value of claims that are newly established. Past reviews have not shown widespread problems with this specific information and do not prevent the use of this information as a general management indicator.

Analysis of Results: The program exceeded its targets for this measure. Because the program exceeded the fiscal year 1999 target for dollar value of claims collections by such a large extent, the original fiscal year 2000 target was increased from \$193.6 million to \$215.8 million in the fiscal year 2001 Annual Performance Plan. Even with this adjustment, the program significantly exceeded FNS's performance goals for both the percentage of newly established claims collected and the total dollar value of claims collected, demonstrating strong performance in recouping losses due to error.

Current Fiscal Year Performance: Despite the outstanding performance in recipient claims collections during fiscal year 2000, FNS anticipates that claims collections may slow down in fiscal year 2001, and therefore is not adjusting upward its originally established target for that fiscal year. Two factors affect this

decision, both of which may have a negative impact on the amount of claims dollars collected; the first is the fact that preexisting backlogs of claims have been reduced over the past few years, and the second is that the reduction in the size of the overall caseload the program has been experiencing will reduce the number of claims that States will need to establish.

Program Evaluations: None completed related to this goal in fiscal year 2000.

Maintain baseline number of sanctions against violating stores

Number of sanctioned stores

Target: 1,365

Actual: 1,349

2000 Data: The data on the number of sanctioned stores for fiscal year 2000 comes from data directly entered by FNS employees into the agency automated system for tracking authorized retailer data (STARS). As this database is the administrative recordkeeping system for those FNS personnel responsible for initiating sanction actions against the stores, and is maintained by them, the data used represents a highly-reliable census of sanction activity.

Analysis of Results: FNS narrowly missed its performance target for this objective. The final target of 1,365 stores sanctioned for fiscal year 2000 was revised upward in the fiscal year 2001 Annual Performance Plan from an original target of 1,201 stores, based on the strong level of performance achieved in fiscal year 1999. Performance in fiscal year 2000 substantially exceeded the original target, but fell approximately 1.2% short of the final target. FNS views this performance level as substantial achievement of its goal.

Description of Actions and Schedules: FNS intends to continue to refine its efforts to detect fraud and better target its investigative resources, in order to maintain its overall level of sanction activity. The narrow margin by which the final fiscal year 2000 sanctioned store target was missed does not require any major revisions in the manner in which the Agency approaches retailer sanction activities.

Current Fiscal Year Performance: FNS expects to meet or exceed our target for fiscal year 2001, maintaining the deterrent effect of its retailer monitoring efforts. This level of sanction activity is intended to provide an ongoing deterrent against program violations among retailers, and is also targeted to the most serious program violations.

Program Evaluations: The following studies, reports and evaluations related to this goal were completed in fiscal year 2000:

- FNS released *The Extent of Trafficking in the Food Stamp Program: An Update*, which duplicated the methodology of a data-based estimate of the prevalence of Food Stamp trafficking in 1993 to generate an estimate for the 1996-1998 calendar year period. The report found that the amount of store trafficking for cash decreased from \$815 million in 1993 to about \$660 million per year in 1996-1998, a 19 percent decline. It also showed that the trafficking *rate* – which compares dollars trafficked to benefits issued – declined 8 percent: from almost four cents of every dollar of food stamp benefits issued to three-and-one-half cents of every dollar issued.
- In FY 2000, the General Accounting Office (GAO) issued a report examining the extent to which States with Statewide EBT systems are identifying and disqualifying recipients engaged in trafficking and the actions FNS has taken to encourage States to identify and disqualify recipients engaged in trafficking. GAO recommended that FNS work with the five States now using EBT data to determine the best techniques for using the data to identify suspected recipient traffickers, work with other States with Statewide EBT systems to implement these techniques, and use EBT data to periodically develop reliable estimates of the extent of trafficking, as well as better strategies to reduce trafficking.

Reduce percentage of authorized stores that do not meet regulatory eligibility requirements for type and amount of foods sold.

Target: 1.54%

Actual: 1.48%

2000 Data: The percentage of authorized stores that do not meet food stock eligibility requirements was obtained through a survey of a statistically-valid random sample of authorized stores reviewed by FNS personnel during fiscal year 2000.

Analysis of Results: In fiscal year 2000, FNS exceeded its target, which was to maintain the baseline of 1.54% established in 1999. The 1.48% estimate for fiscal year 2000 identified by the survey indicates strong agency performance in monitoring and ensuring retailer compliance with food stock requirements.

Current Fiscal Year Performance: FNS's intention for fiscal year 2001 is to maintain the high level of compliance achieved in fiscal year 2000.

Program Evaluations: In FY 2000, USDA's Office of the Inspector General (OIG) issued an audit on "Food Stamp Program Participation By Banned Retailers". The audit determined that FNS controls to prevent continued participation by disqualified retailers needed to be strengthened. It recommended specific improvements to FNS systems, including automated searches for all applicant retailers, and suggested that EBT, which potentially can provide more immediate information about disqualified retailers and their continued acceptance of benefits, might improve the effectiveness of existing controls.

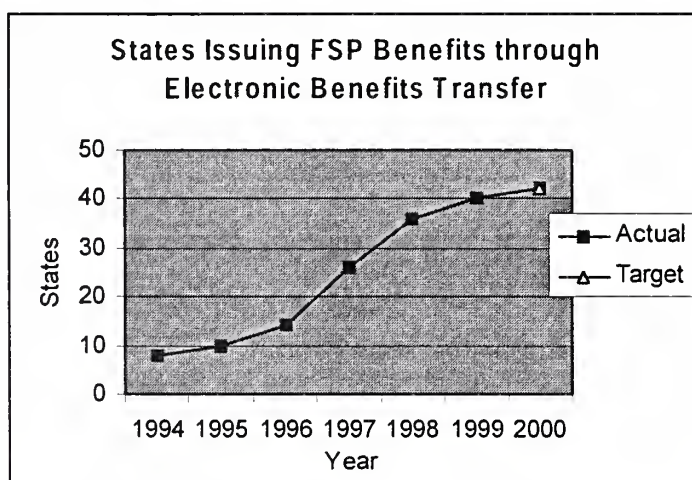
Objective 1.3: Improved program efficiency

Key Performance Goals

Increase number of States/Territories issuing benefits by electronic benefits transfer (EBT)

Target: 42

Actual: 42



Year	States using EBT	Target
1994	8	
1995	10	
1996	14	
1997	26	
1998	36	
1999	40	38
2000	42	42

2000 Data: FNS has high confidence in the data reported for this objective. The number of States issuing benefits by EBT as of the end of the fiscal year is reported through a number of corroborating sources, which can be verified by FNS staff.

Analysis of Results: The program met this performance goal.

Current Fiscal Year Performance: Based on performance in fiscal year 2000, FNS expects the program to meet its goal for States issuing benefits by EBT for fiscal year 2001. In the 2001 Annual Performance Plan, the target for this performance measure has been converted from number of States issuing benefits through EBT to the percentage of monthly total benefits issued nationally through EBT by the end of the fiscal year, to better reflect the Agency's efforts to achieve Statewide implementation of EBT benefits.

Program Evaluations: In fiscal year 2000, USDA's Office of the Inspector General (OIG) issued a number of audits related to State development of EBT systems, as part of an ongoing series it has conducted in recent years. Four reports, dealing with five States (Utah, North Dakota, South Dakota, Florida and Louisiana), were issued in fiscal year 2000. In general, OIG recommended that these States work to limit access to EBT management systems, improve written guidelines and procedures, and improve management of benefit expungement accounts.

Simplification of program administrative requirements

Number of CFR pages of requirements for the food stamp program

Target: 354

Actual: 440

Number of program waivers remaining (eliminated because they are no longer needed by States)

Target: 800

Actual: 941

2000 Data: The number of *Code of Federal Regulations* (CFR) pages devoted to Food Stamp Program rules comes from a physical count of the FSP related pages in the CFR published by the *Federal Register* each January. The number of State program waivers remaining as of the end of the fiscal year comes directly from a log maintained by FNS personnel, who are responsible for reviewing and approving waiver requests.

Analysis of Results: FNS did not achieve either of the performance targets under this goal. These reductions were expected as a result of rule changes that would have eliminated the need for waivers and regulatory text. However, changes in policy designed to address the significant decline in Food Stamp participation were made subsequent to the setting of this goal. Existing administrative requirements were retained in recently published rules and, in some instances, additional requirements were added. Therefore, expected reductions in the number of CFR pages and the number of State program waivers were not accomplished in fiscal year 2000.

Description of Actions and Schedules: As noted above, competing policy imperatives resulted in regulatory changes that did not reduce administrative requirements.

Current Fiscal Year Performance: No target for this performance measure has been set for FY 2001.

Program Evaluations: None completed in fiscal year 2000.

Goal 2: Healthful Diets for School Age Children

Objective 2.1: School meals are consistent with the *Dietary Guidelines for Americans* and the Recommended Dietary Allowances (RDAs)

Key Performance Goals

Increased access to nutritional information and expertise for school food service personnel

Number of schools receiving Food Buying Guide

Target: 50,000

Actual: None

2000 Data: Data related to distribution of the Food Buying Guide is obtained and monitored under contracts between FNS and the organizations (governmental and nongovernmental) that distribute the Guide. This data is quite reliable.

Analysis of Results: FNS did not meet its goal of printing and distributing 50,000 copies of the Food Buying Guide. As planned, FNS made the Guide available to the public on its website in December 1999. Comments received on its content, primarily from certain sectors of the food industry, caused FNS to withdraw it for a number of revisions.

Description of Actions and Schedules: FNS now expects to have the Guide completed and distributed by the end of fiscal year 2001.

Current Fiscal Year Performance: As noted above, FNS intends to complete distribution of the Guide to 50,000 schools, achieving its fiscal year 2000 performance goal, in late fiscal year 2001.

Program Evaluations: None completed in fiscal year 2000.

<u>Full implementation of School Meals Initiative monitoring by the States</u>	
Number of School Meal Initiative Monitoring reviews conducted by State Agencies	
Target:	3,200
Actual:	3,939
<u>Increased number of schools which meet the <i>Dietary Guidelines</i></u>	
Number of SFAs reviewed which require no corrective action to meet the <i>Dietary Guidelines</i>	
Target:	480
Actual:	782

2000 Data: Data related to School Meals Initiative monitoring by States is collected, compiled, and reviewed generally for consistency by FNS. However, the agency's ability to ensure complete and accurate data reported by State agencies on local school compliance with program nutritional requirements is limited by the fact that data collection is voluntary, informal, and without standardized procedures. These limitations are the result of the strong opposition from the school food service community to a more formal data collection process.

Analysis of Results: Data collected shows that FNS's quantitative target for the number of monitoring reviews by State agencies was exceeded by more than 20 percent.

In setting this performance goal, FNS estimated that State agencies would conduct School Meals Initiative reviews of 3,200 school food authorities (SFAs). This estimate represented one-fifth of all SFAs, and was based on the requirement that States must review all SFAs over a five-year period. While exceeding the quantitative target in the fiscal year 2000 plan, this figure must be viewed in light of the fact that States have no minimum requirement for reviews in any given year.

FNS set a target of 480 reviews for which no corrective action would be required. This number represents 15% of the estimated number of reviews to be conducted. The number of reviews that required no corrective action exceeded the target by a considerable amount (more than 60%), suggesting that FNS significantly underestimated the ability of SFAs to adjust to changes made in program nutrition requirements. While the data is encouraging, the unexpected magnitude of this figure and the voluntary nature of data collection requirements for this measure suggests that additional FNS oversight of State and local program operations would be useful to verify and validate this data. Notably, however, a recent national evaluation of the of the school meals programs shows that schools have made considerable progress in achieving the outcome sought under this goal – improvement in the nutritional content of school meals. (See "Program Evaluations, below, for more information.)

Current Fiscal Year Performance: FNS expects that States will perform substantially as projected during the current fiscal year. Given that States have conducted an above-average number of reviews over the last two years, with an especially high number last year, a somewhat lower-than-average number of reviews completed would be neither surprising nor inconsistent with the overall goal to monitor implementation of school meals improvements.

Program Evaluations: While no evaluations related to this goal were completed in fiscal year 2000, in early fiscal year 2001 FNS completed a major evaluation of meal quality in the National School Lunch Program (NSLP) and the School Breakfast Program (SBP). The *School Nutrition Dietary Assessment II* examined data collected in 1998-99 from a nationally representative sample of over 1,000 public schools.

The data shows dramatic improvements in the number of schools offering students the opportunity to select a low-fat lunch (no more than 30 percent of calories from fat); 82 percent of elementary schools and 91 percent of secondary schools offered such meals. This represents a significant improvement from 1992, when only 34 percent of elementary schools and 71 percent of secondary schools offered meals that met this standard.

The strategic plan targets for meal quality in NSLP and SBP are based on the average nutrient content of meals offered. The study shows that in School Year 1998-99, lunches offered in participating schools provided, on average, about 34 percent of calories from fat, and an average of about 12 percent of calories from saturated fat. Both sodium and cholesterol in NSLP lunches decreased. These changes were made without compromising the nutrition of the meals served; school lunches were found to provide more than one-third of the Recommended Dietary Allowances (RDAs) for all targeted nutrients, and more than one-third of the daily recommended level of calories.

Measure	1992 level (SNDA-I)	1999 level (SNDA-II)	2005 Target (USDA Strategic Plan)
NSLP Lunches:			
% of calories from fat	38%	33.6%	≤30%
% of calories from saturated fat	15%	11.8%	≤10%
Calories	33%	36%	≥33.3%
Targeted nutrients (vitamins A and C, iron, and calcium)	≥33.3% for all	≥33.3% for all	≥33.3% for all
SBP Breakfasts:			
% of calories from fat	31%	25.9%	≤30%
% of calories from saturated fat	14%	9.8%	≤10%
Calories	24%	22%	≥25%
Targeted nutrients (vitamins A and C, iron, and calcium)	≥25% for all	≥25% for all	≥25% for all

The changes that the study found represent significant improvement from the baseline data on the nutrient content of school meals derived from the original *School Nutrition Dietary Assessment* (SNDA-I), released in 1993, which collected data on meals offered during the 1991-92 school year. However, the rate of change in the nutrient content of meals shown by the new data suggests that the program is not likely to achieve its 2005 goal to bring the average nutrient content of all meals offered in line with regulatory requirements without additional efforts by FNS and its program partners.

Another study completed by FNS in early fiscal year 2001, the *School Meals Initiative Implementation Study*, examined data collected in 1997-98 from a nationally representative sample of over 2,000 public School Food Authorities (SFAs) participating in the National School Lunch and School Breakfast Programs, and from 50 State Child Nutrition Program Directors. The evaluation shows that most school districts are taking a variety of steps to achieve the nutrition objectives for school meals updated in 1995 as part of the School Meals Initiative for Healthy Children. The study also collected data from school years 1998-99 and 1999-2000; subsequent reports will provide an update on implementation activities.

Objective 2.2: Children make food choices for a healthy diet

Key Performance Goal

Increased use of nutrition education resource materials and messages by State and school personnel
Average monthly inquiries to Healthy Meals Resource System by State and school personnel
Target: 2,140
Actual: 5,154

2000 Data: Data on the Healthy Meals Resource System is reported to FNS by the National Agricultural Library (NAL), which operates the system under a cooperative agreement with the Agency. FNS considers the data quite reliable. The measure reflects several activities carried out by NAL to respond to the information needs of school food service personnel, including use of various information sections found on the Healthy Meals Resource System Web page as well as a document lending system.

Analysis of Results: The programs significantly exceeded FNS's performance target under this goal. For fiscal year 2000, FNS anticipated an approximate growth of 10 percent from the target set for fiscal year 1999. Actual data for fiscal year 2000 show an average monthly total of 5,154, which is a 23 percent increase in the use of the Healthy Meals Resource System web page over fiscal year 1999. As in the fiscal year 1999, the likely explanation for this increase in usage is the widespread growth in World Wide Web access for FNS' program partners, with resulting improvements in convenience and efficiency for those who previously accessed the System through its lending library.

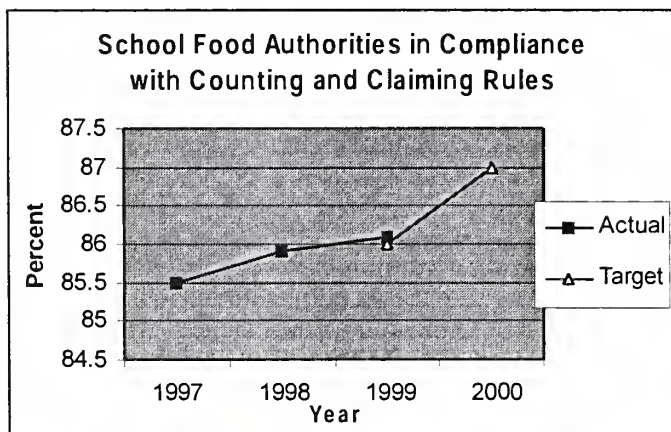
Current Fiscal Year Performance: Based on its fiscal year 2000 experience, FNS expects continued growth in the use of NAL services during fiscal year 2001.

Program Evaluations: None conducted in fiscal year 2000.

Objective 2.3: Improved program integrity

Key Performance Goal

Increased compliance with program regulations regarding counting and claiming meals
Percent of SFAs in compliance with Performance Standard 1
1999 Target: 86%
1999 Actual: 86.1%
2000 Target: 87%
2000 Actual: Data available 3 rd quarter, fiscal year 2001



Year	% of SFAs in Compliance	Target
1997	85.5	
1998	85.9	
1999	86.1	86
2000	Not available	87

2000 Data: FNS uses its Coordinated Review Effort (CRE) to assess compliance by local schools participating in the National School Lunch and School Breakfast Programs with Performance Standard 1 of the Assessment, Improvement and Monitoring System. This system measures school performance in approving free and reduced price meal applications, and reporting meal counts, accurately and properly.

CRE Data is collected by State agencies and forwarded to FNS, where it is reviewed and analyzed. While FNS procedures include extensive edit-checks on this data, its reliability depends upon the State agencies' ability to provide effective training and oversight. Because FNS lacks the resources to oversee States' monitoring activity directly, its ability to guarantee the quality of the data is limited.

Final data for fiscal year 2000 goal will not be available until 3rd Quarter, fiscal year 2001. This will be reported in the Fiscal Year 2001 Annual Performance Report. Fiscal year 1999 data is reported and analyzed below.

Analysis of Results: Data for fiscal year 2000 is not available. Data for fiscal year 1999 shows that the program slightly exceeded its fiscal year 1999 benefit accuracy target of 86 percent of schools in compliance with counting and claiming performance standards.

Current Fiscal Year Performance: Since an assessment of fiscal year 2000 activity under this goal is not yet possible and results for fiscal year 2001 will not be available until late in fiscal year 2002, FNS cannot yet project current year performance.

Program Evaluations: None conducted in fiscal year 2000 related to this performance goal.

Goal 3: Improved Nutritional Status and Health of Low-income Women, Infants and Children (WIC Program)

Objective 3.1 Improved program efficiency and integrity

Key Performance Goals

States adopt initiatives to contain WIC food costs

Food cost per participant

1999 Target: \$32.63

1999 Actual: \$32.52

2000 Target: \$33.42

2000 Actual: Data available April 2001

2000 Data: Data on program participation and expenditures is compiled from State agency reports, entered into FNS data collection systems at the regional level, and checked for consistency by regional and headquarters staff. Final WIC participation and expenditure data for fiscal year 2000 will not be ready until April 2001, and will be reported in the Fiscal Year 2001 Annual Performance Report. Fiscal year 1999 data is reported below.

Analysis of Results: While data on food costs for fiscal year 2000 is not yet available, FNS met its fiscal year 1999 target for WIC food costs per participant. This success in containing WIC food costs reflects the program's use of infant formula rebate contracts. Savings that resulted from these contracts in fiscal year 1999 was sufficient to support the participation of approximately 2 million women, infants and children.

Current Fiscal Year Performance: Since data on fiscal year 2000 performance is not yet available, FNS is unable to assess how the performance in that year impacts the current fiscal year. The agency is continuing its efforts to encourage States to contain WIC food costs. FNS published an interim final rule

on infant formula rebates in August 2000 that strengthens current requirements to use a single-supplier competitive method to provide a rebate for infant formula. It also addresses new cost containment requirements that respond to recent changes in the infant formula industry, optimizes competition in the rebate contract arena, and requires State agencies to award infant formula rebate contracts based on lowest net price.

Program Evaluations: In FY 2000, the General Accounting Office (GAO) issued a report, mandated by Congress as part of WIC reauthorization legislation that assesses the various costs of administering WIC and delivering nutrition services. According to the GAO, in FY 1998 approximately \$1.14 billion in Federal, State and local funds was received by State agencies and those Indian Tribal Organizations responding to WIC's survey for the purpose of providing nutrition services and administrative costs. State level agencies reported spending 91% of their \$232 million in nutrition services and administration expenses for direct cost expenditures; personnel and fringe benefits accounted for the largest percentage of their direct costs. The report contains no recommendations.

Improved vendor selection

Number of violations

1999 Target: 6,167

1999 Actual: 4,234

2000 Target: 6,013

2000 Actual: Data available May 2001

2000 Data: Data on WIC vendor violations is compiled from State agency reports and checked for consistency by regional and headquarters staff. Fiscal year 2000 data is due from States to FNS by January 31, 2001; finalized data should be available by early May 2001, and will be reported in the Fiscal Year 2001 Annual Performance Report. Fiscal year 1999 data is reported below.

Reporting methodology for this data has changed since the fiscal year 1999 and 2000 targets were set in late 1997. A workgroup comprised of Federal and State WIC program representatives analyzed the vendor monitoring reporting process and data elements, developing a number of recommendations for improvement. One problem identified in this analysis was potential ambiguity about two reporting categories, resulting in a risk of double-reporting of certain violations. Beginning in fiscal year 1999, the workgroup recommendations were implemented, changing the reporting process; as a result, a source of potential inaccuracy was eliminated for fiscal year 1999 and 2000 data. However, modest adjustments in the both fiscal year 1999 and 2000 targets (reductions of approximately 500 violations each year) would be needed to ensure that any possible double-counting of violations was eliminated from the targets calculated for those years.

Analysis of Results: Data for Fiscal Year 2000 is not yet available. Fiscal year 1999 data indicates that WIC substantially surpassed its performance target of 6,167 vendor violations detected; a total of 4,234 violations were reported by State agencies. (This level of performance exceeds by a comparable proportion the fiscal year 1999 target adjusted for changes in data reporting methodology discussed above.)

The reasons for the substantially lower-than-expected number of violations of WIC vendor rules are unclear. While this may reflect significant improvement in compliance with program rules, changes in State WIC oversight and reporting may also play a role. Additional inquiry and analysis is need to draw any conclusions.

Current Fiscal Year Performance: As fiscal year 2000 data is not yet available, FNS is unable to assess how the performance in that year impacts the current fiscal year. However, FNS remains committed to strengthening WIC program management, and has taken important steps to improve program oversight by State and local WIC agencies, to make administrative changes that better manage the program and prevent problems, and to collect more complete data on program abuse. On May 17, 2000, all WIC State

agencies were required to implement a final FNS regulation that established mandatory uniform sanctions across all State agencies for the most serious WIC Program vendor violations. In addition, the rule requires the disqualification of a WIC vendor who is disqualified from the Food Stamp Program, unless such disqualification would result in inadequate participant access.

Further, on December 29, 2000, FNS issued a final regulation developed to strengthen the vendor management in retail food delivery systems by establishing mandatory selection criteria, training requirements, criteria to be used to identify high-risk vendors, and monitoring requirements including compliance investigations.

Program Evaluations: None conducted in fiscal year 2000 related to this performance goal.

EBT implemented in additional States

Number of States initiating EBT pilot projects for WIC

Target: 2

Actual: 3

2000 Data: The number of States initiating electronic benefits transfer (EBT) pilot projects for WIC is drawn from FNS administrative records developed as part of FNS's ongoing partnership with State agencies on these projects.

Analysis of Results: FNS exceeded its target for fiscal year 2000 to have 2 States initiating EBT pilot projects for WIC. (The target had been revised in the Fiscal Year 2001 Annual Performance Plan.) The program was able to add two more States launching EBT pilot projects in Fiscal Year 2000, for a total of three projects now underway. Implementation of pilots has progressed more slowly than initially planned due to protracted discussions and negotiations between State agencies and EBT contractors on technical and operational issues. The required technology for WIC EBT applications has not moved into the retailer community as rapidly as anticipated. In the interest of using limited federal resources wisely, FNS has changed its WIC EBT goals to match the pace of technology roll-out in the marketplace.

Current Fiscal Year Performance: As noted above, FNS is encouraging States to implement EBT at a rate consistent with technological development, to prevent excessive costs that could result from the use of technologies ahead of their emergence in the marketplace. During Fiscal Year 2000, special EBT system development grants were provided to support a number of State projects now underway or being planned. The agency also began revising WIC's Functional Requirements Document (FRd), including minimum EBT requirements for States to use in developing systems.

As noted above, FNS revised its performance targets in its Fiscal Year 2001 Annual Performance Plan to reflect the pace of technology developments and retailer equipment; the agency now hopes to have five WIC EBT pilot projects initiated by the end of fiscal year 2001.

Program Evaluations: None conducted in fiscal year 2000 related to this performance goal.

Objective 3.2: Improved dietary practices of participant women and children

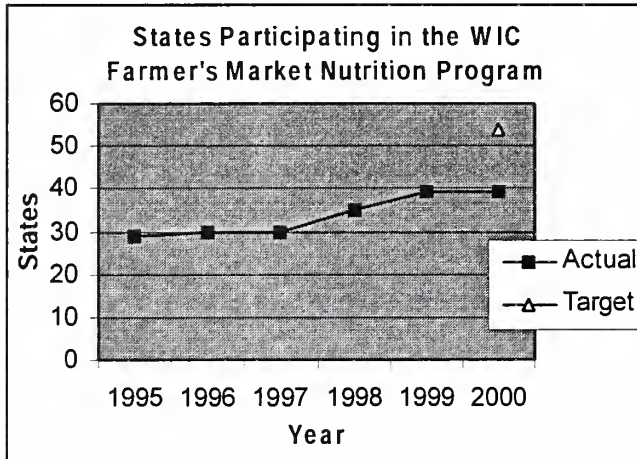
Key Performance Goals

Increased implementation of National Breastfeeding Campaign

Number of States that implement some or all of the campaign

Target: 45

Actual: 55

Increased breastfeeding rate**Target: 42%****Actual: Data available March 2002****Increased number of State agencies participating in the Farmers' Market Nutrition Program****Target: All States (55)****Actual: 39**

Year	FMNP States	Target
1995	29	
1996	30	
1997	30	
1998	35	
1999	39	39
2000	39	55

2000 Data: Information on breastfeeding promotion activities is derived from State reports collected and consolidated by FNS.

Data on breastfeeding initiation is derived from the "Study of WIC Program and Participant Characteristics," a census of WIC participants conducted every two years; data is thus collected for even years only. Fiscal year 2000 data will be finalized during the second quarter of fiscal year 2002, and will be reported in the Fiscal year 2002 Annual Performance Report.

Data on the number of States participating in the WIC Farmers' Market Nutrition Program is derived from State agency reports to FNS, and verified through administrative records.

Analysis of Results: The program significantly exceeded FNS's fiscal year 2000 goal to have 45 State agencies and Indian Tribal Organizations using the materials developed by FNS through the WIC National Breastfeeding Promotion *Loving Support* Campaign as the centerpiece of their breastfeeding promotion efforts. At least 55 State agencies and Indian Tribal Organizations are now using these materials.

Data on the rate of breastfeeding initiation among WIC participants in fiscal year 2000 will be available in fiscal year 2002.

The program did not meet FNS's goal of securing the participation of all (55) States in the Farmers' Market Nutrition Program in fiscal year 2000. Despite efforts to promote the program among nonparticipating States, FNS did not receive any new applications from States to participate in FMNP in fiscal year 2000.

Description of Actions and Schedules: The agency's analysis suggests that while its promotional efforts have succeeded in making all States aware of the availability of the program, many have chosen not to pursue its implementation. In current FMNP States, however, there is evidence that there are increased activities by State agencies and increased numbers of vendors and participants, demonstrating the program's continued vitality.

Current Fiscal Year Performance: FNS is continuing these efforts to promote breastfeeding in WIC that should have a positive impact on the breastfeeding initiation rate. The agency has:

- Convened Breastfeeding Promotion Consortium meetings to maintain partnerships among those involved in breastfeeding efforts;
- redesigned and translated *Loving Support* materials for Spanish-speaking WIC clients;
- printed and distributed Breastfeeding Promotion Physician's Kits to key physicians' groups;
- developed materials directed toward the African-American population—a group with lower breastfeeding rates than other parts of the WIC population—that focus on promoting breastfeeding awareness and support, and on strengthening the role of fathers within the family context; and
- made special project grant funds available to Mississippi to evaluate the effectiveness of the *Loving Support* campaign in increasing breastfeeding incidence and duration.

FNS continues to promote FMNP through a variety of means, including the Secretary's Interagency Committee on Small Farms and participation in the National Association of Farmers' Market Nutrition Programs annual outreach conference. However, FNS does not anticipate that significant numbers of new States are likely to join the FMNP in the near future, and is focusing its current efforts on increasing utilization of the program in the States where it is now being operated. As noted above, the Agency has evidence that there are increased activities by participating State agencies and increased numbers of FMNP vendors and participants.

Program Evaluations: The following studies, reports and evaluations related to this goal were completed in fiscal year 2000:

- The Economic Research Service (ERS) released a study on "Maternal Nutrition Knowledge and Children's Diet Quality and Nutrient Intakes" that found significant evidence that the more a mother knows about health and nutrition, the better is the overall quality of her children's diet, for preschoolers more so than older children. The study also found that a mother's years of schooling, smoking status, race, and ethnicity influence her children's diet. The results suggest that health and nutrition education may be more effective if targeted toward mothers with young children, but directly toward school-age children.
- ERS released a study on "WIC and the Nutrient Intake of Children". It found that, after controlling for self-selection bias, participation in the WIC program (Special Supplemental Nutrition Program for Women, Infants, and Children) has a significant positive effect on children's intakes of iron, folate, and vitamin B-6. Iron is one of the five nutrients targeted by the program, the others being protein, calcium, vitamin A, and vitamin C; folate and vitamin B-6, along with zinc, were recommended by a 1991 USDA study as nutrients that the program should also target.
- ERS released a study on "The Effect on Dietary Quality of Participation in the Food Stamp and WIC Programs". The study found that participants in the Food Stamp Program consume more meats, added sugars, and total fats than they would in the absence of the program, while their consumption of fruits, vegetables, grains, and dairy products stays about the same. Participants in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) consume significantly less added sugars, which may reflect the substitution of WIC-supplied juices and cereals in place of higher sugar soft drinks and cereals. This study used data on low-income Americans from the Continuing Survey of Food Intake by Individuals.
- In FY 2000, the General Accounting Office (GAO) issued a report assessing various cost aspects of WIC nutrition services and administration. The report describes how 6 diverse WIC local agencies administer and deliver program services, based on interviews with State and local agency officials and one month time studies at each of the local clinics. GAO determined that the clinics varied dramatically in the type and depth of services provided. The report contained no recommendations.

Objective 3.3: Improved nutritional qualifications of State and local WIC staff

Key Performance Goals

Increased recruitment and retention of qualified nutrition staff in the WIC Program

Percent of WIC staff who are registered dietitians or RD-eligible

Target: 50%

Actual: Data available Fall 2001

Percent of WIC staff who are registered dietary technicians

Target: 5%

Actual: Data available Fall 2001

2000 Data: Data on recruitment and retention of qualified nutrition staff in the WIC Program is collected through a survey of State WIC Programs, including funding levels and staffing credentials, to be conducted by the Association of State and Territorial Public Health and Nutrition Program Directors (ASTPHND). ASTPHND now conducts the survey less frequently than previously; data collection for the next survey was to be completed in December 1999, and a final report was to be issued after September 2000. However, due to a delay in compiling the information the report will not be issued until Fall 2001, and will be reported in the Fiscal Year 2001 Annual Performance Report. (Given that no data collection occurred in fiscal year 1999, FNS will not be able to report fiscal year 1999 results for this measure.)

Analysis of Results: Data will be available Fall 2001.

Current Fiscal Year Performance: Data is not available to determine the impact of fiscal year 2000 performance on the current fiscal year. However, FNS is continuing its efforts to improve professional development opportunities for local WIC nutritionists. The agency is working with the Society for Nutrition Education (SNE), the American Public Health Association (APHA), National Association of WIC Directors (NAWD), and others, to develop strategies to strengthen and improve WIC nutrition education, including training opportunities and professional development opportunities for WIC staff. As part of this effort, FNS developed two new in-service trainings (Bright Futures for WIC Nutrition Services and Bright Futures for Babies) for WIC State and local agency staff. It also provided funding for State and local WIC staff to attend the National Maternal Nutrition Intensive Course, a three-day continuing education training session designed to improve the knowledge and skills of nutrition and health professionals who provide nutrition services to low-income, nutritionally at-risk pre-conceptional and pregnant women. This course meets the continuing education requirements needed for maintaining professional credentials of Registered Dietitians.

Program Evaluations: None conducted in fiscal year 2000 related to this performance goal.

Objective 3.4: Improved health outcomes of program participants

Key Performance Goals

Increased consistency in the use of scientifically sound nutrition risk criteria among States

Number of WIC State agencies using consistent risk criteria promulgated by FNS and the National Association of WIC Directors

Target: All State agencies (88)

Actual: All State agencies (87)

Expanded WIC services, service referrals, and coordination at Community Migrant Centers and Indian Health Service (IHS) facilities

Percent of Community Migrant Health Centers (MHC) and IHS clinics co-located with WIC

1999 Target: 75%

1999 Actual: Data not available

2000 Target: 80%

2000 Actual: Data not available

Increased immunization of WIC pre-school children

Immunization rate of WIC pre-school children for DPT:

1999 Target: 95%

1999 Actual: 80.3% ($\pm 1.2\%$)

2000 Target: 95%

2000 Actual: Data available April, 2001

Immunization rate of WIC pre-school children for IPV

1999 Target: 88%

1999 Actual: 88.2% ($\pm 0.9\%$)

2000 Target: 88%

2000 Actual: Data available April, 2001

2000 Data: Data on the number of States utilizing consistent risk criteria was compiled by FNS from State agency reports, and verified through FNS review of WIC State agency plans.

Data on expanded WIC services, service referrals, and coordination at Community Migrant Centers and Indian Health Service (IHS) facilities was not collected as anticipated in the Fiscal Year 1999 and 2000 Annual Performance Plans. The "Study of WIC Program and Participant Characteristics," which was intended to serve as the source for performance data related to co-location, collects data in even years only; thus 1999 data will not be available. The portion of the study dealing with local agency operations was discontinued in fiscal year 2000, so that no data for that year will be available.

Data on the rate of WIC children who were immunized for DPT and IPV will be derived from the National Immunization Survey conducted by the Centers for Disease Control and Prevention (CDC). 2000 data will be available in April 2002, and will be reported in the FY 2002 Annual Performance Report. 1999 data is reported below. FNS uses the immunization rates for these two vaccines as a proxy measure for WIC's efforts to refer children successfully into the immunization system. While the data source identifies the rate of pre-school WIC participants that have been immunized, it does not permit a determination of the extent to which WIC health referrals actually resulted in immunization, limiting the validity of this measure as a direct indicator of WIC program performance.

Analysis of Results: The program met FNS's fiscal year 2000 goal for all State agencies to use the consistent risk criteria developed by FNS and NAWD. (The actual number of State agencies using the risk criteria dropped from 88 to 87 because one "State agency"—an Indian Tribal Organization—is no longer participating in the program.) For the second year in a row, all WIC State agencies reported using these criteria. This represents a critical step in ensuring that the WIC program is carefully targeted to those who will truly benefit from the program, now matter where they live across the country.

Data on expanded WIC services, service referrals, and coordination at Community Migrant Centers and Indian Health (IHS) facilities is not available as originally planned. The most recent data available, drawn from the "Study of WIC Program and Participant Characteristics, 1998," shows that:

- 6.6% of WIC sites, or approximately 600 WIC sites offered enrollment that year in community or migrant health center services. This number is approximately 20 percent of the number of community or migrant health centers
- 3% of WIC sites, or approximately 250 WIC sites, offered enrollment in IHS facilities. This number reflects over 100 percent of the number of IHS clinics nationwide, suggesting that some of these facilities receive referrals from two or more WIC clinics.

While these numbers allow a rough estimate of the magnitude of coordination between WIC clinics and these health centers, the data does not permit a determination of the proportion of those centers that either receive referrals from WIC clinics or are co-located with WIC.

FNS engaged in a wide range of efforts intended to improve coordination between WIC and other health services in fiscal year 2000, including:

- efforts to resolve policy and operational issues with such organizations and programs as Head Start, Healthy Start, Medicaid, NAWD, and the Infant Mortality Commission;
- Work with HHS on the Children's Health Insurance Program, developing strategies for outreach and referral and sharing strategies with State agencies; and
- Technical assistance was also provided to the Department of Defense (DoD), in its effort to implement a WIC-like program for its military personnel stationed overseas, support staff, and their dependents.

Data for fiscal years 2000 on immunization of pre-school children in WIC is not yet available. Fiscal year 1999 data shows that WIC did not meet FNS's fiscal year 1999 target of 95% of WIC pre-school children receiving a full course of diphtheria/tetanus/pertussis (DTP) vaccine; about 80% of children aged 19-35 months had received the vaccine. (A significantly higher number had received 3 of the 4 required doses of the vaccine.)

For poliovirus (IPV) vaccination, in fiscal year 1999 WIC met FNS's target of 88% of WIC pre-school children receiving the vaccine.

Current Fiscal Year Performance: FNS expects all WIC State agencies to continue using the consistent risk criteria promulgated by FNS and NAWD in the current fiscal year, meeting the agency's fiscal year 2000 goal.

In the area of expanding WIC services, referrals and coordination, FNS printed and distributed a "best practices" guide during fiscal year 2000, which should support improvement in coordination and co-location during fiscal year 2001. It also recently published a "Coordination Strategies Handbook: A Guide for WIC and Primary Care Professionals," which serves as a reference tool for local agencies in pursuing coordination and collocation efforts.

With regard to immunization, an Executive Memorandum was issued in December 2000 directing USDA to establish a standardized procedure for immunization screening and referral of children at WIC certification and to complete a strategic plan by February 2001 to improve immunization rates of children participating in WIC. FNS is working with CDC, NAWD, the American Academy of Pediatrics, and others to accomplish the directives of the Executive Memorandum.

Program Evaluations: The following studies, reports and evaluations related to this goal were completed in fiscal year 2000:

- FNS released the *WIC Participant and Program Characteristics 1998* report, the latest in a series of biennial reports on current WIC participation and program characteristics, which it relies on for program monitoring and management, budget estimates, identifying needs for research, and reviewing current and proposed WIC policies and procedures. Reports include information on income, race/ethnicity, household size, participation in other programs, nutritional risk, and other characteristics of WIC participants.
- FNS released the *Profile of WIC Children* report, which used existing data to develop a profile of WIC children. It showed that WIC-participating children differ not only from high-income children, but also from the larger population of low-income children; they are more economically needy—one quarter are under 50% of poverty—and they are more likely to have received WIC as infants. Nearly all receive Medicaid, 43% receive AFDC/TANF, 60% receive food stamps and 10% live in subsidized housing. WIC children are more disadvantaged in many aspects of household well-being and environment, and are more likely to suffer developmental delays, than other low-income children.

Goal 4: Improved Nutritional Status of Children in Day-Care Settings (CACFP)

Objective 4.1: Improved nutritional quality of CACFP meals

Key Performance Goal

Improved nutrition knowledge of CACFP providers

Number of day care center providers receiving nutrition education materials

Target: 15,000

Actual: 48,000

2000 Data: Data related to distribution of CACFP Menu Planner is obtained and monitored under contracts between FNS and the National Technical Information Service of the Department of Commerce; FNS considers the data quite reliable.

Analysis of Results: FNS exceeded its performance goal in Fiscal Year 2000 by a considerable amount.

At the time the Fiscal Year 2000 Annual Performance Plan was developed, FNS believed that it could make only a partial distribution of the Menu Planner by the end of fiscal Year 2000. As it turned out, the development and distribution was accomplished more quickly than expected. The Menu Planner was distributed in July 2000 to all child care centers participating in the CACFP, as well as to FNS regional offices and State agencies. The total number distributed was 48,000, reflecting distribution to all participating centers, as well as additional copies sent to administering agencies to be used as necessary.

Current Fiscal Year Performance: Universal availability of this technical assistance resource should contribute to the improved quality of meals served in CACFP child care centers in fiscal year 2001 and beyond.

Program Evaluations: None conducted in fiscal year 2000.

Objective 4.2: Improved program integrity

Key Performance Goal

Better targeted and higher quality program reviews of sponsors and providers by State agencies

Number of reviews conducted

Target: To be determined

Actual: Data not available

2000 Data: Data on the number of State-level CACFP reviews conducted is not available. Implementation of the reporting mechanism initially planned as part of an enhanced State agency review system was suspended in favor of a comprehensive and aggressive effort to improve CACFP management through training, technical assistance, and increased program oversight in the form of management evaluations of State agency operations. The agency revised its indicators for improving CACFP management in the Fiscal Year 2001 Annual Performance Plan, and will begin reporting based on the new indicators in that year's performance report.

Analysis of Results: While data related to the performance indicator was not collected as originally planned, FNS has worked aggressively during fiscal year 2000 to improve CACFP management, by training regional office and State agency personnel using management guidance materials developed by the FNS Management Improvement Taskforce. The revised management improvement strategy developed by FNS and reflected in its Fiscal Year 2001 Annual Performance Plan focuses on FNS oversight of State agencies and State agencies training their sponsors using improved training materials.

Fiscal year 2001 targets for these efforts are comprehensive FNS management evaluations of all State agency CACFP operations, including one focused management evaluation in each FNS region, and training of all CACFP sponsors by State agencies using the revised guidance.

FNS regional office reports indicate that in Fiscal Year 2000, USDA reached its target of conducting management evaluations of CACFP State agencies. In general, regional offices conducted management evaluations in accordance with FNS revised management evaluation guidance in all States; in six of these States, FNS used a survey-based management evaluation process that differed somewhat from the procedures originally envisioned, but which covered all the review areas in the guidance. In addition, regional offices used their management evaluations of four State agencies to do "follow up" reviews of State agencies that had significant problems identified in prior year management evaluations. In these situations, evaluations were focused on these problems and comprehensive management evaluations were not carried out. A preliminary analysis of management evaluation reports received to date shows that noteworthy problems were uncovered in State-level administration in eight States. In addition, significant problems were uncovered at the family day care home sponsoring organization level in nine States. Corrective action activity has been initiated in all cases.

At this point, FNS believes that it is premature to accurately assess the overall effectiveness of this effort. Fiscal Year 2000 was the "start up" year for comprehensive management evaluations of all CACFP State agencies, and as a result, it had many of the problems generally associated with large efforts such as this, including reallocation of resources, training of staff, etc. Notwithstanding these problems, FNS believes that the management evaluation effort will contribute significantly to the CACFP management improvement effort.

During fiscal year 2000, all but two State CACFP administering agencies provided training to sponsors using the management improvement guidance developed by FNS. One State agency failed to do this training because of severe staff shortages and disruptions within its management team. FNS has advised State officials of the seriousness of this situation both to the program and the children it serves and stated its willingness to help wherever possible. The other State agency had many of the "new" management procedures covered in the training already in place and, because of a shortage in staff, determined that its use of staff elsewhere better served the program. The regional office responsible for this State agency acknowledges that the State agency has implemented these procedures but advised it to conduct the training.

FNS' overall assessment of State agency training is mixed. FNS monitoring indicates that some States carried out training very effectively, while others appeared to be less successful. As with the management evaluations discussed above, FNS expects that this new effort will become more effective with the as experience is gained, and with FNS support and direction. FNS is confident that it has established a solid base for the sponsor training component of the improvement initiative and will continue to evaluate its effectiveness.

Description of Actions and Schedules: FNS will continue to evaluate the results of management evaluations conducted in Fiscal Year 2000, as well as those conducted in Fiscal Year 2001. In addition, FNS expects to publish interim and final management improvement regulations that will help strengthen State-level administration of the CACFP. These regulations implement CACFP management improvement provisions found in Public Laws 106-224, the Agricultural Risk Protection Act of 2000, and 106-472, the Grain Standards and Warehouse Improvement Act of 2000. USDA was instrumental in initiating consideration and development of this legislation. Based on the content of these regulations, FNS will once again update its management guidance and conduct training on it.

Current Fiscal Year Performance: At this point, FNS has reviewed data from the management evaluations being conducted in Fiscal Year 2001 but expects that it will begin to see improvement in program operations at all levels, given the effort that has already been put forth and the fact that FNS intends to maintain this level of effort until improvement is realized.

Program Evaluations: The following studies, reports and evaluations related to this goal were completed in fiscal year 2000:

- USDA's Office of the Inspector General continued to evaluate controls in the sponsor and provider operation of CACFP. A number of specific State oversight and sponsor/provider audits were issued in the year, all related to the need to improve the management of the CACFP program at the State and operator level.
- The General Accounting Office issued a report on program integrity in the CACFP. It concludes that despite FNS and States' efforts to reduce the vulnerability of the CACFP to fraud and abuse, much work remains to be done. The report cited a survey of participating State agencies that showed that while almost all State agencies reported that they had implemented, at least in part, FNS's required minimum controls for detecting CACFP violations, two-thirds of States cited a lack of resources, and one-third cited inadequate training, as factors that inhibit strengthening their detection efforts. The report recommends that FNS develop and implement a comprehensive plan for strengthening State controls and oversight of State agency performance.

Objective 4.3: Improved program targeting to, and access by, low-income pre-school children

Key Performance Goal

Increased participation of low-income children in CACFP	
Percent of CACFP children from low-income households	
1999 Target:	72%
1999 Actual:	71.9%
2000 Target:	75%
2000 Actual:	72.3% data preliminary; final is expected +5%

2000 Data: Data reported here are preliminary. Final data will be available in Spring, 2001, and will be reported in the Fiscal Year 2001 Annual Performance Report.

Because FNS does not collect data on income level of children participating in the CACFP, it is using meal reimbursement data to correlate to meals served to needy children, as the best proxy available for the numbers of children in these categories.

Analysis of Results: The preliminary data shows that FNS did not meet its target, though the percentage of low-income children participating did increase slightly from the previous year. When FNS established its targets for this measure for both Fiscal Years 2000 and 2001, it expected that the dramatic change in the proportion of low-income children reflected in the Fiscal Year 1997 baseline (55%) to Fiscal Year 1999 (71.9%) would slow considerably but would nonetheless continue at a lesser pace through fiscal year 2001. Examination of fiscal year 1999 and 2000 results suggests that the full effect of the program changes brought about in welfare reform may have already occurred, so that the proportion of low-income children the program serves may have stabilized more rapidly than anticipated. Further study would be required to test this hypothesis.

In its Fiscal Year 1999 Annual Performance Report, FNS reported preliminary actual results of 71.5% for this measure, against its target of 72%. The final actual figure for Fiscal Year 1999 is 71.9%.

Description of Actions and Schedules: As noted above, FNS's analysis suggests that the proportion of low-income children the program serves may have stabilized more rapidly than anticipated, so that only small increases in low-income participation are likely to occur in future years.

Current Fiscal Year Performance: Given the FY 2000 results, FNS expects that there may be some small increase in the percentage of needy children participating.

Program Evaluations: In fiscal year 2000, the Economic Research Service (ERS) released an interim report on "Family Child Care Homes and the CACFP: Participation After Reimbursement Tiering." The report showed that participation in CACFP by child care homes dropped 6 percent and the number of sponsoring organizations that administer these homes dropped 2 percent between 1997 and 1998, while the number of licensed child care homes increased by 3 percent during the period. The report noted that the strong economy, increased federal child care funding, and new state pre-school programs, among other shifts in the child care market, made 1997-1998 a dynamic period of change in employment and child care options. It concluded that the portion of the decline in child care homes' participation in the CACFP that stemmed from the reimbursement change, and the portion caused by other factors, cannot be determined.

Goal 5: Low-Income Children Consume Nutritious Lunches When School Meals Are Not Available (SFSP)

Objective 5.1: Increased children's participation in SFSP

Key Performance Goals

<u>Barriers to schools and other sponsor participation removed</u>	
Number of participating:	
Sponsors	
1999 Target:	3,900
1999 Actual:	3,653
2000 Target:	4,000
2000 Actual:	3,670 <i>data preliminary; final is expected $\pm 2\%$</i>
Sites	
1999 Target:	32,000
1999 Actual:	31,021
2000 Target:	33,000
2000 Actual:	31,173 <i>data preliminary; final is expected $\pm 3\%$</i>
Children	
1999 Target:	2.42 million
1999 Actual:	2.26 million
2000 Target:	2.57 million
2000 Actual:	2.09 million <i>data preliminary; final is expected $\pm 3\%$</i>

2000 Data: data provided above are preliminary, based on State reports collected and consolidated by FNS and reviewed for consistency and completeness. Final data for this objective will not be available until the 2nd Quarter, Fiscal Year 2001, and will be reported in the Fiscal Year 2001 Annual Performance Report.

Analysis of Results: The program did not reach its projected participation levels in FY 2000 for any of the targets under this goal; the number of children participating declined slightly from the FY 1999 level. These results are particularly notable given that USDA has engaged in a major outreach effort since FY 1998 to attract more sponsors into the Program. The program growth anticipated from this effort never materialized; the number of children participating has essentially remained the same over the past several years. While USDA does not have a definitive explanation for this performance, a number of factors may have contributed. Outreach strategies may not have been compelling or effectively targeted. Sponsor participation may be discouraged by the program's perceived complexity and administrative burden. Reductions in SFSP reimbursement rates made under the 1996 welfare reform law may be inadequate for some sponsors, particularly small, non profit organizations, to operate the Program.

In its Fiscal Year 1999 Annual Performance Report, FNS reported preliminary actual figures of 3,635 sponsors, 30,911 sites, and 2.22 million participating children for the three measures listed above. Final actual numbers for Fiscal Year 1999 are 3,653 sponsors, 31,021 sites and 2.26 million participating children.

Description of Actions and Schedules: In fiscal year 2001, FNS intends to continue extensive outreach efforts to potential SFSP sponsors, as well as support for State administering agencies, advocates, and National and local organizations in their outreach and sponsorship activity. In addition, it will target several unserved or underserved communities. As we continue to implement this effort, USDA will also reassess its outreach strategies and work to improve them for both current and future efforts.

Current Fiscal Year Performance: FNS is hopeful that the efforts described above will attract the sponsors necessary to increase the availability of SFSP benefits to children who need them.

Program Evaluations: None conducted in FY 2000 related to this goal.

Objective 5.3: Improved program integrity among sponsors

Key Performance Goal

Better-targeted and higher quality reviews of sponsors and providers by State agencies

Number of reviews conducted

Target: Establish baseline

Actual: Data not available

2000 Data: FNS was unable to establish a baseline for the number of SFSP reviews conducted by State agencies as planned.

Analysis of Results: FNS did not meet its fiscal year 2000 target for this goal. FNS' overall plan to meet the target included publishing program regulations intended to help strengthen State oversight of sponsor performance and evaluating State-level administration under these new regulations during fiscal year 2000. FNS intended to use information gathered during this evaluation to establish a baseline on sponsor performance that will be used to evaluate and compare sponsor performance in subsequent years.

FNS did publish the regulations in December 1999 but was unable to carry out the planned evaluation and follow up work. In fiscal year 2000, FNS carried out a comprehensive management improvement initiative in the Child and Adult Care Food Program (CACFP). The scope of this effort required a significant level of available staff resources both at the Headquarters and regional office levels to develop training materials, train State agencies and carry out extensive oversight of State agency administration of the CACFP. This limited FNS' ability to initiate what would have been an additional significant commitment of resources.

When FNS initially planned its State SFSP oversight activity, it was aware that the effort as proposed would require an extensive analysis of State performance during fiscal year 2000, followed by development of a data collection and reporting system to generate precise, consistent data on a nationwide basis. Given the resources required to complete this effort, FNS will defer consideration of this systematic approach to State oversight and focus on its CACFP Management Improvement Initiative.

Current Fiscal Year Performance: FNS will continue to use currently available methods such as management evaluations and audits to measure performance in the SFSP.

Program Evaluations: None conducted in fiscal year 2000.

Strategic Goal 6: Improved Quality of Food Distribution Commodities and Services

Objective 6.1: Distribute commodities that support the nutrition objectives of FNS programs: Food Distribution Program on Indian Reservations (FDPIR); Commodity Supplemental Food Program (CSFP) and the National School Lunch Program (NSLP)

Key Performance Goal

<u>Improved nutrition profile of commodity offerings</u>
Number of commodities added to, modified or deleted from the Foods Available List
Target: 3
Actual: 11
Number of communications addressing the healthful use/preparation of commodities distributed to customers
Target: 4
Actual: 4
Complete commodity specifications review project
Target: Complete report
Actual: Project subsumed by <i>Food Distribution 2000</i>

2000 Data: The Foods Available Lists are created every year by USDA to inform State Distributing Agencies (SDAs) what entitlement commodities FNS is offering for the year. Since the Lists are directly designed, maintained, and administered by FNS staff, they can be considered reliable sources of information on commodity variety.

USDA publishes the periodic newsletter "*Commodity Update*" for schools, and periodic newsletters for household programs providing useful information including the healthful use/preparation of commodities. These newsletters are directly designed, maintained, and administered by FNS staff.

Data on completion of the commodity specifications review project is derived from the administrative records of FNS and the 2 USDA agencies that develop specifications for commodity products. The Agricultural Marketing Service (AMS) develops specifications for commodity meats, poultry, fish, fruits, vegetables and beans, and the Farm Service Agency (FSA) develops specifications for commodity flours, grains, dairy products, honey, oils and shortenings. FNS works closely with these two agencies to ensure that specifications meet nutritional and other program needs, and reviews all commodity specifications prior to issuance.

Analysis of Results: The Agency met two of its three fiscal year 2000 targets for this goal. Results include:

- Eleven new commodities were added to the Foods Available Lists for either FDPIR, CSFP, or NSLP. This increase, which significantly exceeded initial plans, reflects a high degree of effort by FNS, AMS and FSA to make new commodity offerings available.
- FNS met its FY 2000 goal of distributing four communications addressing the healthful use/preparation of commodities. Newsletters entitled "*Commodity Updates*" for schools were published in October 1999, and in February, April, and September 2000.
- The Commodity Specification Review Project was absorbed into the *Food Distribution 2000* Initiative and was not completed in FY 2000 as planned. The overall schedule for *Food Distribution 2000* is outlined Current Fiscal Year Performance," below.

Description of Actions and Schedules: See "Current Fiscal Year Performance," below.

Current Fiscal Year Performance: While this performance goal has been eliminated from the FY 2001 Annual Performance Plan as part of the effort to create a consolidated USDA performance plan, FNS remains committed to improved performance in this area:

- In FY 2001 the goal to improve the number and quality of products available to schools and household programs became a component of *Food Distribution 2000*, USDA's major initiative to reinvent the commodity programs. This initiative has been using a business concept known as "Business Process Reengineering" to fundamentally redesign USDA's commodity purchase, ordering, and delivery system. In November 2000, USDA's "*Reinvention Plan for Schools*" was published and in December 2000, USDA's "*Reinvention Plan for Household Programs*" was published. Improvements identified as part of *Food Distribution 2000* related to procurement, specifications, ordering, purchasing, and commodity processing should dramatically improve the number and quality of products available to schools and household programs in future years.
- In FY 2001, FNS has refocused its communications efforts on a goal to add recipes/links to the "*Food Distribution Program Recipe Exchange*" web site.
- *Food Distribution 2000* includes updates to product specifications to bring them in line with commercial specifications where justified. Internal USDA teams have been formed to examine the specifications of all USDA commodities going to schools and household programs and to recommend changes where appropriate.

Program Evaluations: The following studies, reports and evaluations related to this goal were completed in fiscal year 2000:

- In FY 2000, the General Accounting Office (GAO) reviewed the extent of foodborne illnesses and recalls are associated with foods procured for the National School Lunch Program (NSLP) and the roles and responsibilities of USDA agencies in ensuring the safety of NSLP commodities. The report concluded that although there have been few outbreaks of foodborne illnesses associated with USDA-donated commodities, USDA has not provided schools with specific guidelines to ensure the safety of the foods purchased by schools for use in school meals. GAO recommended that FNS expeditiously develop a food safety action database and provide information to State or local authorities on safety provisions that could be included in school food procurement contracts.

Objective 6.2: Improved program efficiency

Key Performance Goals

<u>Increase number of automated business functions</u>	
Target:	16
Actual:	6 (subsumed by <i>Food Distribution 2000</i>)
<u>Identify the most effective food delivery system for FDPIR and CSFP</u>	
Target:	Recommendations developed
Actual:	Subsumed by <i>Food Distribution 2000</i>
<u>Redesigned FNS food distribution systems</u>	
Target:	Completion of redesign
Actual:	Subsumed by <i>Food Distribution 2000</i>

2000 Data: Data on this objective, including the State distributing agencies (SDAs) participating in Electronic Data Interchange (EDI) and *Food Distribution 2000* derives from direct involvement of FNS in ongoing commodity program operations.

Analysis of Results: Fiscal year 2000 results include:

- FNS' effort to automate commodity program business functions was absorbed into the *Food Distribution 2000* Initiative and was not completed in FY 2000 as planned. USDA did automate six business functions by adding them to the Food Distribution web site. These were: 1) the commodity complaint hot line, 2) product specifications, 3) commodity acceptability feedback, 4) FNS Instructions and Handbooks, 5) FNS recipe links and recipe exchange, and, 6) a site for feedback on FNS' business process reengineering initiative. USDA's final reinvention plans for schools and household programs include plans for significant information technology changes. When these are implemented, the changes will dramatically increase the number of commodity program business functions automated. The overall schedule for these plans are outlined under "Description of Actions and Schedules," below.
- The initiative to identify the most effective food delivery system for FDPIR and CSFP was absorbed into the *Food Distribution 2000* Initiative and was not completed in FY 2000 as planned. Final plans for reinventing FDPIR and CSFP, as well as other household programs were published in December 2000 in a document entitled "USDA's Reinvention Plan for Household Programs," discussed below.
- The project to redesign FNS food distribution systems for schools was completed in November 2000 rather than the end of FY 2000 as planned. Final plans for reinventing the food distribution system for schools were published in a report entitled "USDA's Reinvention Plans for Change," discussed below.

Description of Actions and Schedules: USDA published "*Reinvention Plans*" for schools and household programs as part of *Food Distribution 2000*. These plans represent a schedule to meet all three of the fiscal year 2000 targets under this goal and reflect substantial accomplishment of the targets to identify the most effective food delivery system for FDPIR and CSFP, and to redesign FNS food distribution systems.

Current Fiscal Year Performance: During fiscal year 2001, USDA is establishing teams to start implementing many of the program improvements planned for schools and households. More than ten pilot projects are already underway.

Program Evaluations: As noted above, over ten pilot projects are underway in fiscal year 2001 testing ways to implement some of the more complicated *Food Distribution 2000* improvements. Additional evaluations may be undertaken by some of the 14 interdepartmental teams that have been formed to implement the changes outlined in the *Reinvention Plans*.

Objective 6.3: Improved service for commodity customers

Key Performance Goals

<u>Improved communications with customers</u>
Number of updates distributed
Target: 4
Actual: 4
Number of hits on the Food Distribution Division (FDD) Internet home page
Target: 13,200
Actual: 41,300 (for the same two-week period)

2000 Data: As all of the activities undertaken in pursuit of this objective are directly designed, maintained, and administered by FNS staff, data is derived from agency records of completed work activity.

For the indicator dealing with usage of the FNS Food Distribution web site, the Agency is using a commercial software package to determine the number of Food Distribution home page "hits". As FNS was unable to establish a baseline for website hits in FY 1999, it set a baseline in early FY 2000 (based on actual usage between 12/15/1999 and 01/03/2000) of 11,000 hits. The FNS target for fiscal year 2000 was set at was 13,200 hits, reflecting a 20% increase in usage over the early FY 2000 level. This report compares this baseline with performance during a similar period one year later (12/15/2000 - 01/03/2001).

Analysis of Results: FNS met its fiscal year 2000 targets for this goal. Results include:

- **FNS achieved its fiscal year 2000 goal of developing four newsletters or updates and distributing them to States and locals.** This level of performance represents a modest increase in communication with program partners through paper-based efforts that serves to compliment the FNS web site, which is now the major tool used for communicating up-to-date information on the commodity programs.
- **FNS exceeded its target for the number of "hits" on its web site.** 41,300 "hits" were measured during the post-FY 2000 measurement period, a 375% increase over the same period after fiscal year 1999.

Current Fiscal Year Performance: Although the number of updates distributed and the number of "hits" on the Food Distribution web page are not included as targets in USDA's Fiscal Year 2001 Annual Performance Plan, FNS expects to continue communicating with program partners using both newsletters and the FNS web site. FNS also plans to continue tracking web site "hits" on an annual basis. Plans for fiscal year 2001 also include development of a new tri-agency newsletter and web site designed to make commodity information easier to access for commodity customers, partners, and stakeholders.

Program Evaluations: None conducted related to this Objective in fiscal year 2000, with the exception of assessment activities related to the *Food Distribution 2000* described under Objective 6.2, above.

Objective 6.4: Support for the USDA gleaning initiative for foods used in the FNS feeding programs and/or distributed by FNS programs

Support Departmental gleaning/food recovery efforts

Number of schools involved in gleaning/food recovery

Target: FY 1999 baseline plus 10%

Actual: No data available

2000 Data: FNS was unable to identify a baseline for the number of schools involved in gleaning/food recovery efforts nationwide, so no data for this measure is available. None is expected to become available in the future.

Analysis of Results: No data is available on the number of schools involved in gleaning/food recovery efforts for fiscal year 2000.

Description of Actions and Schedules: Overall responsibility for USDA's gleaning and food recovery efforts was transferred to USDA's Community Food Security Initiative in fiscal year 1999.

Printing and distribution to school food authorities and other interested parties of the gleaning "Best Practices" manual was completed in fiscal year 2000.

Current Fiscal Year Performance: No target for this effort has been set for the current fiscal year.

Program Evaluations: None conducted related to this Objective in fiscal year 2000.

Management Initiative I: Continually Improve the Quality, Effectiveness and Diversity of the FNS Work Force

(Note: Because of the diversity of performance goals under Management Initiative I, performance information under this Initiative has been organized around performance goals in three key areas: workforce improvement, work environment improvement, and workforce diversity.)

Work Force Improvement: Key Performance Goals

<u>Hire top-quality individuals and improve employees' work skills:</u>	
Number of Outstanding Scholars hired at entry level	
Target: 4	
Actual: 0	
Effectiveness of training	
Target: >70%	
Actual: data not available	

2000 Data: In general, performance data for the goals above is derived from FNS's administrative records; the quality and reliability of this data is high. For one measure—customer satisfaction with training—data was to be derived from FNS Employee Work Life Survey. Unfortunately, the Survey was not administered according to plan.

Analysis of Results: In fiscal year 2000, FNS did not achieve its goal to improve on its fiscal year 1999 baseline of 4 Outstanding Scholars hired at entry level. Because of Departmental concerns, FNS instituted a major revision in its Outstanding Scholars policy during fiscal year 1999; as a result, far fewer Outstanding Scholars were hired in fiscal year 1999 than in previous years, and none were hired in fiscal year 2000. This trend is likely to continue in the future.

Data is not available with regard to customer satisfaction with training in fiscal year 2000.

Although not reflected clearly in the fiscal year 2000 performance indicators, FNS made significant progress in the area of total quality management, which directly supports its performance goal to continually improve the FNS work force by hiring top-quality individuals and improving employees' skills. In particular, the agency's total quality management program, *Leadership 2000 and Beyond*, is aimed at improving the skills of employees, and at making the agency an attractive, progressive workplace that will encourage high-quality candidates to accept FNS positions when they are available.

Description of Actions and Schedules: As noted above, FNS is unlikely to be able to pursue its Outstanding Scholars policy as originally proposed. However, FNS continues its efforts to recruit new staff through special emphasis and employment programs, such as USDA's 1890 National Scholars Program, the Hispanic Association of Colleges and Universities (HACU) Scholar Program, and employment programs for individuals with disabilities. Scholarship students and interns provide the agency with an on-going, diverse pool of entry-level employees to supplement its other recruitment efforts.

Current Fiscal Year Performance: Given the changes in Outstanding Scholars policy made by FNS in fiscal year 1999, the agency was unable to achieve its fiscal year 2000 goal to increase hiring through this program above the fiscal year 1999 level, and is pursuing its refocused recruitment efforts during the current fiscal year.

Although the tool is not available at this time to measure improvement in effectiveness of training, a great deal of work is being done in the training area.

Program Evaluations: None conducted in fiscal year 2000.

Work Environment Improvement: Key Performance Goals:

Improve the physical work environment:

Number of smaller-than-standard work stations

Target: Replace 50% of those identified in 1998 baseline

Actual: Replaced 48% of those identified in 1998 baseline

Number of work stations that are ergonomically suitable for computers and peripherals

Target: Replace 5% of those identified in 1998 baseline

Actual: Replaced 47% of those identified in 1998 baseline

Continue to implement the agency Infrastructure Modernization throughout FNS

Number of upgraded file servers

Target: Replace all Pentium file servers with DEC Alpha file servers

Actual: Replaced all Pentium file servers with DEC Alpha file servers

Assessment of telecommunications infrastructure

Target: Traffic capacity consistent with demand

Actual: Traffic capacity still consistent with demand, despite increase in traffic.

2000 Data: In general, performance data for these goals is derived from FNS's administrative records; the quality and reliability of this data is high.

Analysis of Results: FNS succeeded in improving the physical work environment and continuing to upgrade its information technology (IT) infrastructure:

- The agency made significant progress, but narrowly missed its goal of replacing 50% of its smaller-than-standard workstations, because of its decision to replace substandard workstations only as the Headquarters building renovation progresses. By the time building renovation is completed in 2001, all substandard workstations will have been replaced.
- FNS has exceeded its goal to provide upgraded, ergonomically-appropriate workstation furniture as part of the FNS Headquarters renovation.
- FNS has replaced all Pentium file servers with DEC Alpha file servers. Work to meet this goal was completed in fiscal year 1999.
- System traffic capacity appears to remain consistent with demand. While the agency has not yet formally measured traffic to determine if projections indicate the need for increased capacity, day-to-day monitoring of service calls to the Help Desk indicate that traffic problems are not yet an issue.

In addition, while FNS did not set a fiscal year 2000 goal related to this measure, the Agency continues to make progress on its fiscal year 1999 goal to convert all Headquarters workstations to Ethernet. As noted in the Fiscal Year 1999 Annual Performance Report, the conversion process has been coordinated with the Headquarters renovation to save costs; work stations are converted to Ethernet only as the floor on which they are located is renovated. To date, 85% of FNS Headquarters workstations have been converted to Ethernet. All FNS Headquarters work stations will be converted to Ethernet by the end of the first quarter of fiscal year 2002.

Description of Actions and Schedules: As noted above, continued replacement of smaller-than standard workstations and Ethernet conversion will be accomplished as building renovation progresses in fiscal year 2001.

Current Fiscal Year Performance: Much of the work related to IT infrastructure modernization and the physical work environment is ongoing in fiscal year 2001, building on progress made in fiscal year 2000.

Program Evaluations: None conducted in fiscal year 2000.

Workforce Diversity: Key Performance Goal:

<u>Improved diversity of FNS work force</u>	
Percent of senior positions filled by women and minorities:	
Women	
Target: ≥46%	
Actual: 50%	
Minorities	
Target: 24%	
Actual: 24%	
<u>Percent of women and minorities in the FNS workforce:</u>	
Women	
Target: 63%	
Actual: 65%	
Minorities	
Target: 31%	
Actual: 35%	
Percent of workforce with disabilities	
Target: 13.17%	
Actual: 11.74%	

2000 Data: USDA's National Finance Center (NFC) collects data from FNS personnel actions and provides the agency with a statistical report by race, sex, national origin, occupational category, grade levels and disability for each organization. The agency also uses Civilian Labor Force and Federal work force projections, from the Department of Labor and the Office of Personnel Management, to develop employment targets. Data is considered of good quality.

Analysis of Results: In FY 2000, FNS met 4 of its 5 targets under this goal. The agency met its goals of maintaining prior year levels of women and minorities in senior level positions. In addition, FNS met the goals of maintaining or exceeding the FY 1999 levels of women, minorities and persons with disabilities in the work force. The percent of persons with disabilities decreased in FY 2000, due to the number of accessions that exceeded hires.

Despite our success with regard to the overall goal on minorities in the workforce, minority males remain to be underrepresented at FNS. (See Current Fiscal Year Performance, below, for more information.)

Current Fiscal Year Performance: In fiscal year 2001, the agency will continue its effort to achieve and maintain a work force that is representative of the Nation's labor force at entry, mid, senior, and executive levels. Specific targets have been set in fiscal year 2001 to maintain representation of women and minorities in senior-level positions (GS-13 and above), and to increase representation of minority males throughout the FNS workforce.

Program Evaluations: In FY 2000, an Equal Employment Opportunity (EEO) and Civil Rights Compliance Review of FNS was completed. The agency was in found compliance with EEO and civil rights requirements, although improvement was recommended in the following areas: (1) reasonable accommodation for the disabled; (2) sexual harassment training; and (3) civil rights and EEO training. In FY 2001, the Agency will implement a number of initiatives supporting civil rights compliance at FNS.

Management Initiative II: Maintain Continued Fairness in FNS Program Delivery

Key Performance Goals:

Monitor and assure fairness in FNS program delivery systems:

Number of program delivery complaints received and reviewed

Target: 262

Actual: 376

Days needed to issue a decision

Target: 90

Actual: 90

Number of appeals

Target: 3

Actual: 2

2000 Data: Civil rights complaints received that are related to FNS programs are tracked through an automated complaint tracking system, which is accessible throughout FNS. The complaint tracking system is updated daily as complaints are received or closed.

Analysis of Results: FNS met its performance targets under this Initiative, maintaining its effectiveness in assuring fairness in delivery of program benefits. Although there was an increase in the number of complaints received and reviewed in fiscal year 2000, the timeliness in which decisions were rendered, suggest that program beneficiaries are treated fairly.

The number of appeals in fiscal year 2000 was below the fiscal year 1999 number. This figure remained below the baseline set in fiscal year 1997, and indicates FNS continued strong performance in complaint-resolution.

Current Fiscal Year Performance: FNS will continue to monitor and ensure that programs use uniform civil rights standards and procedures that result in timely, consistent, and effective endorsement of all applicable civil rights requirements. In fiscal year 2001, the Complaint Prevention and Resolution Program will be further implemented; efforts will continue to improve the handling of complaint investigations and ensure that review procedures provide for effective and consistent implementation of a substantive, continuous program post-award compliance reviews.

Program Evaluations: None conducted related to this Initiative in fiscal year 2000.

Management Initiative III: Users Have Accurate, Timely, Financial Data Available

(Note: Because of the diversity of performance goals under Management Initiative III, performance information under this Initiative has been organized by individual performance goal.)

Key Performance Goal

Maintain progress in upgrading FNS's financial systems:

Foundation Financial Management System (FFIS), Department NFC financial systems upgrade

Target: Continued development of FFIS- relational database, approved Federal application software in accordance w/ GSA schedule

Actual: FNS continued to support the Departmental FFIS initiative and prepare for its upcoming implementation effort.

Agency Financial Management System (AFMS) upgrade to client server technology

Target: Continued development of AFMS application, database, client server system in accordance w/ schedule.

Actual: Continued progress was made in the effort to implement the client server version of the AFMS system. System implementation schedule was adjusted to March 2001 due to severe resource shortages.

National Data Bank (NDB) upgrade to data warehouse technology

Target: Continued development of NDB; relational database; client server application.

Actual: Prototype system completed. Began conversion of former system to new software.

2000 Data: Data on financial systems upgrade is derived from internal FNS work records, and can be verified by USDA Departmental Administration's administrative records.

Analysis of Results: FNS generally achieved its goals to maintain progress as planned in updating its automated financial systems. Key activities include:

- **Foundation Financial Management System (FFIS), Department NFC financial systems upgrade:** FNS continued its support of the Departmental FFIS initiative.
- **Agency Financial Management System (AFMS) upgrade to client server technology:** In fiscal year 2000, FNS completed system configuration; developed reports; completed user training; completed testing of accounts payable module; developed conversion strategy; developed interface strategy. The implementation schedule was adjusted to March 2001 due to severe resource shortages.
- **National Data Bank (NDB) upgrade to data warehouse:** Once prototype system was completed successfully, FNS began converting the former version of the NDB to make use of the new system which involved the replacement of outdated software.

The Agency will implement the Integrated Program Accounting System (IPAS) in the spring of 2001, after completing testing of reports, GAD/LOC module, accounts receivable module and interfaces. Concentrated user support will be provided after implementation. Development and testing of the year-end module will be completed by summer of 2001.

Current Fiscal Year Performance: FNS is on schedule for agency implementation of FFIS in fiscal year 2001. The agency will implement IPAS in March, 2001. For the National Data Bank, FNS will pilot the new system beginning in FY 2001.

Program Evaluations: None conducted related to this goal in fiscal year 2000.

Key Performance Goal

Implement new or revised Departmental and Government-wide financial standards and policies:

Independent financial statement audit

Target: Continue to implement and update Department and Government-wide financial standards (e.g., cost accounting implementation guidance)

Actual: Updates were made and changes implemented based on the USDA, OCFO FASM updates, OMB 97-01 updates, FASAB standards updates. The changes were timely, complete and reflected in final products.

2000 Data: Data on achievement of this goal reflects FNS's internal assessment of its compliance with new and updated financial standards and policies in the financial management products and processes for which FNS is responsible.

Analysis of Results: The agency's performance goals in this area were achieved in fiscal year 2000.

Current Fiscal Year Performance: FNS anticipates continuing its successful level of performance in this area in fiscal year 2001.

Program Evaluations: None conducted related to this goal in fiscal year 2000.

Key Performance Goal

Improve data integrity and agency ability to produce timely, accurate and supported financial statements and other financial information
 Independent financial statement audit
Target: Make progress toward resolving financial statement issues
Actual: Required analysis and reconciliation were timely, accurate and complete; required corrections were processed and reflected in final products; no known material issues have been identified to date impacting the fiscal year 2000 audit. FNS's fiscal year 1999 financial statement audit resulted in an "unqualified" (clean) opinion.

2000 Data: Data on achievement of this goal reflect ongoing work to prepare required financial information, and resolve emerging issues with USDA auditors and financial officials.

Analysis of Results: In fiscal year 2000, FNS achieved its target to make progress toward resolving financial statement issues. Required analysis and reconciliation were timely, accurate and complete; required corrections were processed and reflected in final products; no known material issues have been identified to date impacting the fiscal year 2000 audit. FNS's fiscal year 1999 financial statement audit resulted in an "unqualified" (clean) opinion.

Current Fiscal Year Performance: FNS anticipates continuing its successful level of performance in this area in fiscal year 2001.

Program Evaluations: As noted above, USDA's Office of the Inspector General (OIG) issued its audit of FNS's fiscal year 1999 Financial Statements in fiscal year 2000. The agency received an "unqualified" (clean) opinion on its audit. OIG reported that FNS made progress in strengthening its internal control structure in fiscal year 1999, and made a number of recommendations, in which FNS concurred, to continue progress in improving its financial management processes.

Key Performance Goal

Improvement of the budget development process:
Development Process:
Target: Automated interface of budget formulation spreadsheets to the OMB MAX system.
Actual: Accomplished through the Department of Treasury automated system.
Timeliness:
Target: Budget materials provided to Department (at each level of process) within sufficient time frame to allow meaningful management level review of changes to occur.
Actual: During FY 2000, the schedules adopted for the FY 2001 Agency Estimates, Departmental Estimates and the Explanatory Notes were structured to afford as much time for product development and management review as could be allowed within the Departmental due dates.
Product Quality:
Target: Budget documents incorporate FY 1999 attributes. Also realigned segments of various program materials to improve clarity and brevity in presenting requests in a favorable light.
Actual: All of the improvements described in the FY 1999 report were carried forward. The one key area of improvement for FY 2000 was in Congressional question and answer materials.

2000 Data: Data on the achievement of this goal reflects review and assessment by senior FNS officials involved directly in the budget development process.

Analysis of Results: FNS achieved its performance targets in this area through accomplishment of a range of important changes in the agency's budget process:

- **Development Process – Automated interface of budget formulation spreadsheets to the OMB MAX system:** The Department of Treasury now inputs prior year data from their updated FACTSII system directly into MAX which precludes the need for another automated input system.
- **Timeliness - Information provided earlier to allow budget staff additional time to develop budget materials with added quality:** During FY 2000, timelines for preparation of budget materials were, as in FY 1999, structured to afford Budget Division staff and supervisors as much time as possible within the Departmental due dates. With FY 2000 being a repeat process from what was done in the previous fiscal year, we found a willingness among various information providers to meet most of the schedule timelines thereby allowing more time for the detailed preparation of schedules, justification narrative, etc.
- **Product Quality – Budget documents incorporate FY 1999 attributes. Also realigned segments of various program materials to improve clarity and brevity in presenting requests in a favorable light:** All of the improvements described in the FY 1999 report were carried forward. Additional improvements were made in congressional question and answer materials. An even more intense quality process was used in the FY 2001 budget process than in the previous year – principally because of the need for improvement in the nature of the responses from previous years. Congressional staff have informally recognized the improvements in these responses.

Current Fiscal Year Performance: While FNS intends to maintain and build upon these improvements, there is no effective way to objectively measure the effect of fiscal year 2000 performance on current year performance.

Program Evaluations: None conducted related to this goal in fiscal year 2000.

Key Performance Goal

Continue progress towards full implementation of the Debt Collection Improvement Act (DCIA)

Percentage of eligible delinquent food stamp recipient claims transferred to Treasury

Target: 100%

Actual: 100%

Percentage of eligible delinquent food stamp retailer debts referred to Treasury

Target: 90%

Actual: 70%

2000 Data: Data on eligible recipient debt transferred to Treasury was obtained and verified from FNS' internal records of transfers. As this information is derived from the electronic files of food stamp recipient claims that FNS uses to transfer eligible debt to Treasury, it is highly accurate and easily verified.

Data on referrals of retailer debt was derived from information of eligible delinquent retailer debt maintained in the Agency Financial Management System (AFMS), and FNS's administrative records of referrals to Treasury. FNS identified errors in the Fiscal year 2000 information keyed into these systems. As a result of these errors, FNS is not able to precisely determine the level of performance related to this goal in FY 2000. The data reported is an estimate of the minimum proportion of retailer debts referred to Treasury at the end of the fiscal year. Based on the Agency's analysis it is likely that actual performance exceeded this level, but the data is incomplete to readily provide assurance of a higher performance level.

Analysis of Results: FNS met its target for the recipient claims referral goal. In fiscal year 2000, 100% of eligible delinquent food stamp recipient claims were transferred to the Department of Treasury for collection. FNS has been submitting Food Stamp over-issuance claims for collection through Federal collection programs for a number of years. Starting in 1992, FNS began pilot testing the Federal Tax Refund Offset Program (FTROP). FTROP was added in 1996 and the Treasury Offset Program (administrative offsets) in 1998. State agency participation has been phased in over the last seven years and with the implementation of the remaining four States in 1998, all 51 State agencies are now participating.

FNS did not meet its fiscal year 2000 target for the retailer debt referral goal. Approximately 70 percent of eligible debt was sent to Treasury by the end of the reporting period, below the 90 percent level targeted by the Agency. Eligible debts include those that are delinquent and for which no collection activity is taking place, but do not include those under repayment agreement, under administrative review or appeal, in litigation or under a court-ordered restitution agreement. Court-ordered restitutions represent a significant number of retailer debts in FNS's accounts receivable.

The reasons that a number of debts had not been referred to Treasury in a timely fashion are not clear. In some cases, FNS did not complete all of the due process steps to permit referral to Treasury; in other cases it did not submit the debt by September 30, 2000. FNS has made changes to its debt consolidation and referral process that should result in sustained improved performance into the foreseeable future. (See "Descriptions of Actions and Schedules," below.)

Description of Actions and Schedules: FNS has centralized the process by which eligible retailer debt is referred to Treasury for cross-servicing. As part of this effort, a "cleanup" of the accounts is currently underway, and improvements are being made in the overall operating controls for the management of this debt. Based on these changes in our process, FNS expects that by May 1, 2001, all debt that was eligible for referral on September 30, 2000, and any that has become eligible since that date, will be referred to Treasury.

Current Fiscal Year Performance: On recipient claims, FNS expects its own and State performance to continue at the same level.

On retailer debts, FNS expects performance to continue to improve. As noted under "Description of Actions and Schedules," above, FNS has made significant changes to its debt servicing process, and expects to be "current," with all eligible debt referred, by May 2001. Because of the simplified operating structure and the tighter controls under the new process, the Agency expects to continue to sustain that performance level indefinitely. (Given the relatively small number of records that will now become eligible for referral from month to month, FNS considers optimum performance more accurately described as a range between 95-100%, rather than precisely 100%.) Because FNS has no legal authority over debts once the courts have mandated restitution, the agency is currently involved in an effort to include court-ordered restitution debts under the umbrella of Treasury's cross-servicing program. This would require either FNS or the Justice Department to refer such debts to Treasury once a debtor defaults on payment.

Program Evaluations: None conducted related to this goal in fiscal year 2000.

Key Performance Goal

<u>Correct identified internal control deficiencies in a timely manner</u>	
Percentage of audits completed timely	
Target:	70%
Actual:	91%
Percentage of Federal Managers' Financial Integrity Act (FMFIA) material deficiencies corrected timely	
Target:	90%
Actual:	80%

2000 Data: Data on audits completed timely was gathered from a report generated by FNS' automated tracking system, which reflects audit progress and status for all Office of Inspector General (OIG) audits issued to FNS.

Because of changes in Departmental audit reporting policy, FNS altered the indicator it originally proposed for audit resolution, which involved specific identification of audits by the date provided. The indicator reported here compares the number of FNS-related audits issued by OIG in fiscal year 2000 to the number of audits closed during the same period. All audits are FNS program-specific (conducted by the OIG), or are OMB Circular A-128, Single Audit of State and Local Governments (conducted by independent auditors and issued by the OIG). For purposes of comparison, corresponding figures for fiscal years 1998 and 1999 are also noted.

Performance is based on a standard of resolving all recommendations in each audit within time frames specified in the management decision, but in each case the entire audit should be resolved within a three year period, or documentation should explain why it was not resolved. This effort includes activity to achieve final action and closure on audit recommendations only, and does not include components for audit distribution or obtaining management decision on recommendations.

Data on fiscal year 2000 FMFIA material deficiencies corrected timely are final and were derived by totaling the fully completed corrective action steps and dividing this total by the total number of corrective action steps that were planned for completion.

For FMFIA material weaknesses, the standard is the stated milestones in the corrective action plan not completed within the promised time frames which should be no more than 10 percent. Keeping in mind that most of FNS' reported material weaknesses are far-reaching and complex, and by nature inherent in the management of our programs, the Agency is working with the OCFO to develop a more meaningful process for reporting on true material weaknesses and the development of corrective action plans to address them.

Analysis of Results: In fiscal year 2000, FNS met its target for audits resolved timely, but did not reach its target for FMFIA material weaknesses addressed timely.

During the fiscal year, 100 FNS-related audits were issued, and the agency closed 91, achieving a 91% ratio of audits closed to audits issued, well above the 70% performance level targeted for fiscal year 2000.

Fiscal year	Issued	Closed
1998	78	102
1999	90	81
2000	100	91

For fiscal year 2000, FNS had 10 material weaknesses. A total of 35 corrective action milestones related to these deficiencies were scheduled to be completed for the year. Of these, 28 were accomplished, an 80 percent rate for the year that falls short of the Agency's target for closure of material weakness milestones. Delays in publishing WIC Vendor Integrity regulations and a reconsideration of the corrective action needed to improve the FSP STARS System and improve the integrity in WIC State Agency funds management and in Employment and Training funds management in the Food Stamp Program are a few of the reasons for the delays.

Description of Actions and Schedules: FNS hopes to resolve the delays that kept it from meeting its FY 2000 target for FMFIA weaknesses during the current fiscal year.

Current Fiscal Year Performance: FNS expects to make continued progress in audit resolution in fiscal year 2001, and has targeted additional improvement for this year.

While the Agency met its audit performance goal for FY 2000 using the ratio indicator devised for FY 1999 and FY 2000, to avoid any future confusion, the Agency will switch to the Department's standard for FY 2001. At that point, both the Office of the Chief Financial Officer and FNS will be reporting using the same standard.

For the material weakness indicator, it is unclear whether, in anticipation of the government-wide planned discontinuance of FMFIA reporting in fiscal year 2000, the indicator will be continue to be necessary or meaningful for future years. FNS nonetheless intends to continue its focus on areas of potential risk, as a critical part of effective stewardship of Federal funds.

Program Evaluations: None conducted in fiscal year 2000.

Obtaining Program Evaluations

Unless otherwise noted, evaluations identified in the report were conducted by FNS. Copies of these evaluations can generally be obtained through the FNS website at <http://www.fns.usda.gov/oane/>, or by contacting the Agency at GPRAINPUT@fns.usda.gov.

Evaluations conducted by the Economic Research Service (ERS) can generally be obtained through the ERS website at <http://www.econ.ag.gov/Prodsrvs/rept-fd.htm>; specific requests for hard copies can be directed to the USDA Order Desk at 1-800-999-6779.

While not all audits and reports prepared by USDA's Office of the Inspector General (OIG) are available to the general public, many can be obtained through their website at <http://www.usda.gov/oig/auditrpt/auditrpt.htm>; specific requests can be directed to USDA-OIG at 202-720-5677.

Copies of many reports issued by the General Accounting Office in fiscal year 1999 are available to the general public through their website at <http://www.gao.gov/AIndexFY99/searchpg.him>; specific requests can be directed to GAO at 202-512-6000.

FOOD SAFETY AND INSPECTION SERVICE
FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The Food Safety and Inspection Service (FSIS) was established by the Secretary of Agriculture on June 17, 1981, pursuant to legislative authority contained in 5 U.S.C. 301 that permits the Secretary to issue regulations governing the United States Department of Agriculture (USDA).

The mission of the Agency is to ensure that the Nation's commercial supply of meat, poultry, and egg products is safe, wholesome, and correctly labeled and packaged, as required by the Federal Meat Inspection Act (FMIA), the Poultry Products Inspection Act (PPIA), and the Egg Products Inspection Act (EPIA).

FSIS is composed of two major inspection programs:

The Meat and Poultry Inspection Program, authorized by the FMIA and the PPIA, is responsible for uniformly applying inspection procedures and standards for sanitation, humane slaughter, pathogen reduction, food safety, and product labeling at all establishments under Federal inspection as well as assessing the effectiveness of State inspection programs to assure that standards equal to those under the Federal Acts are applied to meat and poultry establishments under State jurisdiction. Further, the program is responsible for reviewing foreign inspection systems that export meat and poultry products to the United States, and inspecting imported products at ports of entry to assure that standards, equivalent to those under FMIA and PPIA, are applied to meat and poultry exported to the United States. The Laboratory Services program supports meat and poultry inspection through the scientific examination of meat and poultry products for disease, contamination, or other forms of adulteration.

The Egg Products Inspection Program, authorized by the EPIA, requires continuous mandatory inspection of egg processing plants producing liquid, frozen, or dried egg products to ensure that products sold are wholesome, unadulterated, and truthfully labeled. This act also requires the control of imported egg products to ensure that U.S. requirements are met.

This is the final year of the 1997-2000 FSIS Government Performance and Results Act (GPRA) Strategic Plan and corresponding Annual Performance Plans and Annual Program Performance Reports. For this reason, it may be important to note the major FSIS accomplishments in the area of food safety during this time frame.

1997 through 2000 Strategic Goal: Enhance the public health by minimizing foodborne illness from meat, poultry, and egg products.

Outcome: The outcome was stated to be a 25 percent reduction in the number of foodborne illnesses associated with meat, poultry, and egg products by the end of Fiscal Year (FY) 2000.

- | | |
|----------------------|--|
| 1.1 Objective | Reduce pathogens on raw products. |
| 1.2 Objective | Establish effective working partnerships with other public health agencies and stakeholders. |
| 1.3 Objective | Promote food safety from farm to table. |
| 1.4 Objective | Complete the necessary cultural change to support HACCP and food safety. |
| 1.5 Objective | Promote international cooperation on food safety. |
| 1.6 Objective | Establish management strategies to maximize effectiveness, efficiency, and diversity of FSIS resources to improve food safety. |

Baseline: Using 1997 information as the baseline, the Centers for Disease Control and Prevention (CDC) now estimates that diseases caused by food may cause 325,000 serious illnesses resulting in hospitalizations, 76 million cases of gastrointestinal illnesses, and 5,000 deaths each year. And while the data are for all foodborne illnesses attributed to all sources, not just meat, poultry and egg products, it does provide an indication of the extent of the problem. Since that time, FSIS has phased in the Pathogen Reduction/Hazard Analysis and Critical Control Point (HACCP) system requirements for meat and poultry establishments designed to reduce the occurrence and numbers of microorganisms on meat and poultry products.

Changing the manner in which entire industries do business has not been easy, but HACCP was implemented for meat and poultry products, and there are some impressive results. Preliminary foodborne illness surveillance data for 1999 indicate a decline in several major bacterial and parasitic pathogens. From 1996 through 1999 the following changes were noted:

- The incidence of *E. coli* O157 declined 22%
- The incidence of *Campylobacter* declined 26%
- The incidence of *Shigella* declined on average by 44%
- The incidence of *Salmonella enteritidis* declined 48%
- The incidence of parasitic diseases caused by *Cyclospora* infections declined by 19% between 1997 and 1999.

The CDC has stated that:

The declines (from 1996 through 1999) in the rate of *Campylobacter* infections continued to decline in 1999, decreasing 19% from 1998. Poultry is the most common source of *Campylobacter* infections. This decline is likely related to changes in poultry processing plants instituted by industry and encouraged by PR/HACCP rule...The rate of *Salmonella enteritidis* infections, an egg-associated serotype, continued to decline...The rate of *E. coli* O157 infections decreased in 1999 to a four year FoodNet low. This decline occurs in the setting of improved sanitation and hygiene in slaughter and processing plants and attention to hamburger cooking temperature. Further surveillance is needed to clarify whether this new low is the beginning of a trend.

Decreases in the rates of *Salmonellosis* and *Campylobacteriosis* parallel changes in meat and poultry processing plants in the U.S. mandated by the PR/HACCP rule of the USDA. The largest producers in the industries implemented HACCP in January 1998 followed by small and very small plants during 1999 and 2000, respectively. The decline from 1996 to 1999 in the incidence of *Salmonellosis* parallels the reported decline in the percentage of meat and poultry products testing positive for *Salmonella* at the large and small Federally inspected processing plants.

The purpose of this Annual Program Performance Report is to compare FSIS actual fiscal year (FY) 2000 performance with the projected levels of performance. Only Federal employees were involved in the preparation of this report. Additional information regarding FSIS programs can be found in the FSIS Strategic and Annual Performance Plans.

The following tables provide summary information on the extent to which FSIS achieved its FY 2000 Performance Goals.

FSIS Performance Summary				
Strategic Goal	FY 2000 Performance Goal One	FY 1999	FY 2000	
		Actual	Target	Actual
Enhance the public health by minimizing foodborne illness from meat, poultry, and egg products.	Reduce pathogens on raw products.	Yes	Yes	Yes
	Percentage of the total number of Federally inspected meat and poultry slaughter and/or processing plants having implemented the basic HACCP requirements.	43.6	99.9	99.9
	Compliance rate of establishments operating under HACCP-based daily verification procedures conducted by inspection personnel.	90	90	99
	Percentage of performed ongoing verifications in conformance with the <i>E. coli</i> testing requirement.	99.99	99.99	99.99
	Number of Federally inspected plants in compliance with the <i>Salmonella</i> national baseline standards (estimates).	680	2,288	2,683
	Increase in the number of lab tests performed (in thousands) from the base to support Pathogen Reduction Rule targets.	57	68	60
	Prepare for egg HACCP (both shell egg and egg product).	N/A	N/A	N/A
	Number of Federal-State joint undertakings in: State-Federal Cooperative Inspection Programs ("Equal-To" Programs).	25	25	25
	Federal-State Cooperative Inspection Programs (Talmadge-Aiken Programs).	9	9	9
	Cross-utilization Agreements.	14	14	24
	Cooperative Federal-State investigations.	196	200	198
	Number of reviews conducted of State inspection programs and laboratories.	7	9	9
	Number of countries meeting the HACCP equivalency standards and exporting to the U.S.	36	38	34
	Number of foreign program reviews conducted to assure international equivalency and maintain export eligibility to the U.S.	28	28	31

FSIS Performance Summary				
Strategic Goal	FY 2000 Performance Goal Two	FY 1999	FY 2000	
		Actual	Target	Actual
Enhance the public health by minimizing foodborne illness from meat, poultry, and egg products.	Collaborate with other public health agencies and stakeholders to enhance the use of collective resources to improve food safety.	Yes	Yes	Yes
	Number of foodborne illness causing pathogens monitored in collaboration with the CDC, FDA, and State Public Health Departments through the Foodborne Disease Active Surveillance Network (FoodNet). FY 2000 estimates included two parasites: <i>Cryptosporidium</i> and <i>Cyclospora</i> .	7	9	9
	Number of FoodNet Case Studies.	3	3	3
	Number of pathogen sampling test performed (in thousands) from State plants.	N/A	56	-0-
	Standard operating procedures established for coordinating foodborne illness outbreaks and other food safety emergencies.	Yes	Yes	Yes
	Number of new formal risk assessments initiated annually to identify and quantify food safety risk.	2	1	1
	Implement LIMS (Laboratory Information Management System).	N/A	N/A	N/A
	Number of individuals participating in the Food Safety Fellows Program.	N/A	N/A	N/A
	Conduct pilot projects on the commercial handling of inspected product.	N/A	N/A	N/A
	Provide training, pilot projects and direct assistance for inspection program standards and methods.	N/A	N/A	N/A
	Develop and implement Uniform Laboratory Operations pilot projects.	N/A	Yes	Yes
	Strategy with HHS, USDA, and private sector groups to develop and implement a Food Safety Information Center (Network) to expand communications on food safety information to the general public.	Yes	Yes	Yes

FSIS Performance Summary				
	Number of people reached with food safety information through media stories, circulation reports, Home Page visits, Hotline calls (in millions).	FY 1999	FY 2000	
		83	85	85

FSIS Performance Summary				
Strategic Goal	FY 2000 Performance Goal Three	FY 1999	FY 2000	
		Actual	Target	Actual
Enhance the public health by minimizing foodborne illness from meat, poultry, and egg products.	Develop a comprehensive strategy for promoting food safety from farm to table.	Yes	Yes	Yes
	Number of collaborative initiatives undertaken to address food safety risks in animal production.	14	15	24
	Number of State agencies adopting the meat, poultry, and egg portions of the FDA Food Code for retail and restaurant establishments (cumulative).	10	15	26
	Number of successful civil and criminal proceedings carried out to address food safety and violations regarding the wholesomeness and labeling of food that should serve to enhance industry compliance with HACCP and food law requirements resulting from regulatory efforts with FSIS, FDA, and statutory enforcement personnel.	1,800	1,850	2,252
	Number of successful administrative enforcement cases carried out resulting from a unified regulatory effort of FSIS inspectors, compliance officers, and/or laboratory personnel that should serve to improve FSIS efforts to enhance industry compliance with HACCP food safety requirements and other administrative provisions provided by statutes.	118	130	189

FSIS Performance Summary				
Strategic Goal	FY 2000 Performance Goal Four	FY 1999	FY 2000	
		Actual	Target	Actual
Enhance the public health by minimizing foodborne illness from meat, poultry, and egg products.	Continue the necessary cultural change to support HACCP and HACCP related food safety initiatives by training the workforce to carry out the redefined regulatory tasks and procedures and by ensuring that industry and State programs understand their new roles and responsibilities.	Yes	Yes	Yes
	Number of employees receiving Civil Rights training.	7,685	5,500	7,500

FSIS Performance Summary				
Strategic Goal	FY 2000 Performance Goal Four	FY 1999	FY 2000	
		Actual	Target	Actual
	Number of pages of regulations eliminated due to changing roles, responsibilities, or technology.	55	20	47
	Number of pages of regulations revised/reinvented due to changing roles, responsibilities, or technology.	63	40	59
	Number of employees upgraded and performing new HACCP-based inspection in slaughter plants.	N/A	N/A	N/A
	Percent of poultry (broiler) plants implementing new HACCP-based inspection model procedures.	N/A	N/A	N/A
	Percentage of FSIS meat and poultry employees trained in HACCP tasks and procedures. (Cumulative)	92.3	100	100
	Number of FSIS inspectors trained in FAIM each year.	741	1,100	850
	Number of FSIS computers deployed to field each year.	760	800	725
	Number of State inspection programs fully automated to assist States in meeting mandatory HACCP requirements.	6	14	24
	Number of computers deployed to State inspection programs each year.	565	607	375
	Number of State inspectors trained in FAIM each year.	561	607	415

FSIS Performance Summary				
Strategic Goal	FY 2000 Performance Goal Five	FY 1999	FY 2000	
		Actual	Target	Actual
Enhance the public health by minimizing foodborne illness from meat, poultry, and egg products.	Continue advocacy for HACCP equivalent systems for imported products and promote international cooperation in food safety.	Yes	Yes	Yes
	Conduct international outreach and education in risk analysis for <i>Codex</i> delegates from foreign countries.	N/A	N/A	N/A

FSIS Performance Summary				
Strategic Goal	FY 2000 Performance Goal Five	FY 1999	FY 2000	
		Actual	Target	Actual
	Percentage of imported meat and poultry products produced under HACCP equivalent food safety requirements.	99	99.9	99.9

Strategic Goal	FY 2000 Performance Goal Six	FY 1999	FY 2000	
		Actual	Target	Actual
Enhance the public health by minimizing foodborne illness from meat, poultry, and egg products.	Streamline and improve the effectiveness, efficiency, and diversity of administrative and human resources support functions.	Yes	Yes	Yes
	Number of management reviews conducted to ensure appropriate internal controls.	10	10	10
	Percentage of the workforce at the GS-13 level and above who are women, minorities, or persons with disabilities.	46	47	53
	Percentage of the workforce at the GS-12 level and below who are women, minorities, or persons with disabilities.	47	47	53

Some of these activities have not been scheduled to begin until FY 2001. For that reason they were not included in specific performance goal information within this report and N/A was entered as the target. FSIS is currently in the process of a transition into a public health regulatory agency. Due to the new Strategic Plan developed for 2000-2005, most of above mentioned performance measures are being discontinued. The Agency has met or exceeded all objectives set by the 1997-2000 Strategic Plan. Of the 37 active indicators included in the revised FY 2000/2001 Annual Performance Plan, 81% were met or exceeded with 38% of the actual data illustrating that the Agency exceeded the targets set. Of the remaining targets not met, three were due to decisions made by States or foreign governments, two because no further action was needed by the Agency, one due to logistical difficulties, and one due to pending legislation that did not pass during the fiscal year. The following is a detailed analysis of the FSIS performance goals contained in its Strategic and Annual Performance Plans.

Key Performance Goal One

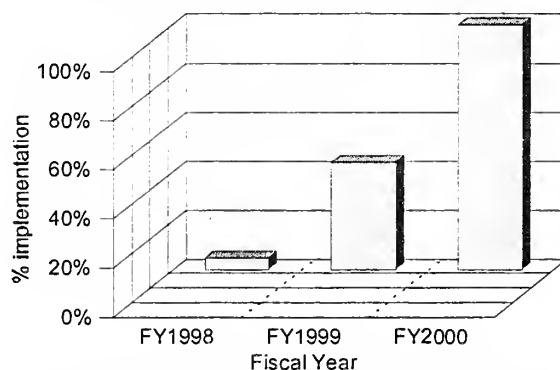
<u>Reduce pathogens on raw products by continuing the implementation of the Pathogen Reduction/HACCP rule.</u>	
1. Percentage of the total number of Federally inspected meat and poultry slaughter and/or processing plants having implemented the basic HACCP requirements.	
Target:	99.9
Actual:	99.9
2. Compliance rate of establishments operating under HACCP-based daily verification procedures conducted by inspection personnel.	
Target:	90
Actual:	99
3. Percentage of performed ongoing verifications in conformance with the <i>E. coli</i> testing requirement.	
Target:	99.99
Actual:	99.99

4. Number of Federally inspected plants in compliance with the *Salmonella* national baseline standards.
- Target:** 2,288
Actual: 2,683
5. Increase in the number of lab tests performed (in thousands) from the base to support Pathogen Reduction Rule targets.
- Target:** 68
Actual: 60
6. Number of Federal-State joint undertakings in:
- State-Federal Cooperative Inspection Programs ("Equal-To" Programs)
- Target:** 25
Actual: 25
- Federal-State Cooperative Inspection Programs (Talmadge-Aiken Programs)
- Target:** 9
Actual: 9
- Cross-utilization Agreements
- Target:** 14
Actual: 24
- Cooperative Federal-State investigations
- Target:** 200
Actual: 198
7. Number of reviews conducted of State inspection programs and laboratories.
- Target:** 9
Actual: 9
8. Number of countries meeting the HACCP equivalency standards and exporting to the U.S.
- Target:** 38
Actual: 34
9. Number of foreign program reviews conducted to assure international equivalency and maintain export eligibility to the U.S.
- Target:** 28
Actual: 31

Trend Data Charts:

Meat/poultry establishments

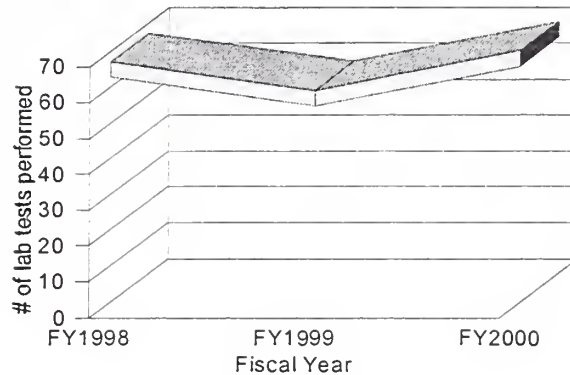
Implementing the basic HACCP requirements



Fiscal Year	Percentage of the total number of Federally inspected meat and poultry slaughter and/or processing plants having implemented the basic HACCP requirements.	Target
1998	4.8	4.8
1999	43.6	43.6
2000	99.9	99.9

Laboratory tests performed

Number of tests from base to support PR rule targets



Fiscal Year	Increase in the number (in thousands) of lab tests performed from the base to support Pathogen Reduction rule targets.	Target
1998	65	67
1999	57	66
2000	60	68

2000 Data: These are considered to be final programmatic data as of January 16, 2001. No data variance is expected. FSIS considers this data to be complete and reliable.

Analysis of Results: FSIS has been extremely successful in meeting its planned activities for reducing pathogens under the Pathogen Reduction/HACCP rule and has met performance goal one. Studies continue to show reductions in *Salmonella* incidence at the slaughter plants. Data from a year of testing in small plants show a significant decline in the prevalence of *Salmonella* from pre-HACCP baseline studies. Of broiler carcasses, 20% tested positive for *Salmonella* before HACCP implementation, compared to 16.3% since implementation, for a decline of 18.5%. In ground beef, 7.5% of the national baseline samples tested positive for *Salmonella* prior to HACCP implementation, versus 4.3% since HACCP implementation, for a 42.6% decline. Of cow and bull carcasses, 2.7% tested positive before HACCP implementation while 2.3% tested positive after HACCP implementation, for a 15% decline.

1., 2., & 3. As a result of a three-year implementation plan, all Federally inspected meat and poultry slaughter and/or processing plants have implemented the basic HACCP requirements. Not only have the plants implemented HACCP, but also the system is working effectively. The compliance rate of establishments operating under HACCP-based daily verification procedures conducted by inspection personnel was 99% in FY 2000, far above the target of 90%. The percentage of performed ongoing verifications in conformance with the *E. coli* testing requirement reached 99.99.

4. The target for Federally inspected plants in compliance with the *Salmonella* national baseline standards was exceeded. The number of plants in compliance is estimated to be 2,683 or 90% of the 2,981 currently listed as sampling eligible.

5. The increase in the number of lab tests performed (in thousands) from the base to support Pathogen Reduction Rule targets was less than expected. That increase was 60, rather than 68. The target was not met due to logistical difficulties such as scheduled samples not being collected or scheduled forms not being received in the plant. In short, it has been very difficult to set accurate targets for this activity while bringing on HACCP implementation. However, the Agency believes that many, if not all, of these difficulties have been alleviated now that the system is more firmly in place.

6. FSIS has met most, and in one case substantially exceeded, its performance targets in its Federal-State joint undertakings. In FY 2000, FSIS met its performance target of 25 State-Federal Cooperative Inspection Programs ("Equal-To" Programs) as of September 30, 2000. It also met its performance target of nine Federal-State Cooperative Inspection Programs (Talmadge-Aiken Programs). FSIS had substantially exceeded the projected target of 14 Cross-Utilization Agreements, actually reaching 20 (including the Mariana Islands). In addition, three States have custom-exempt agreements and six States have egg products agreements, with five of these States having one of the former agreements as well. In summary, the total number of States with agreements is 24. Although FSIS had estimated that it would participate in 200 cooperative Federal-State investigations in FY 2000, only 198 investigations were needed.

7. FSIS also met its FY 2000 target of conducting nine reviews of State inspection programs and laboratories.

8. To be eligible to export meat and poultry to the United States, foreign countries must have an inspection system that is "equivalent to" the U.S. system. This includes meeting the requirements of the Pathogen Reduction/HACCP rule. FSIS projected that in FY 2000, 38 countries would meet the equivalency standards necessary to export products to the U.S. In actuality, 34 countries met those standards. This showed that the system is functioning to protect U.S. consumers, since four countries voluntarily withdrew their establishments from inspection while they continue to develop HACCP programs equivalent to the U.S. standards.

9. Recognizing the importance of the review process, FSIS stepped up its efforts to review foreign programs to assure international equivalency and maintain export eligibility. It is this mechanism that ensures the safety of products imported into this country. Although the target was for only 28 reviews, FSIS conducted 31 such reviews.

Current Fiscal Year Performance: While the Agency continues its efforts to reduce pathogens on raw products, the new Strategic Plan and corresponding Annual Performance Plan have folded this topic into the new performance goal two where the Agency has incorporated specific representational targets for pathogen reduction.

FSIS is proposing to require all shell egg packers and egg products plants to develop and implement HACCP systems and Sanitation Standard Operating Procedures. The same proposal would result in a rule requiring pathogen reduction performance standards that would apply to shell eggs and pasteurized egg products. Shell egg packers and egg products plants would be expected to develop HACCP systems that ensure that shell eggs and egg products meet the lethality requirements required by the respective pathogen reduction performance standards. The proposal is in clearance and will soon be sent to the Department.

Program Evaluations: In FY 2000, The Office of Inspector General (OIG) completed its audit entitled "*Implementation of the Hazard Analysis and Critical Control Point System.*" The purpose of the audit was to evaluate the FSIS implementation of the HACCP program and to determine whether the program was effective in ensuring the wholesomeness of the meat and poultry sold to consumers. The OIG concluded that FSIS and the industry were making progress in changing from the traditional inspection methodology to the HACCP program. FSIS has developed regulations and guidance that is consistent with the seven HACCP principles, and plants have developed HACCP plans that address these principles.

Key Performance Goal Two

Collaborate with other public health agencies and stakeholders to enhance the use of collective resources to improve food safety.

1. Number of foodborne illness causing pathogens monitored in collaboration with CDC, the Food and Drug Administration (FDA), and State Public Health Departments through the Foodborne Disease Active Surveillance Network (FoodNet).

Target: 9

Actual: 9

2. Number of FoodNet Case Studies.

Target: 3

Actual: 3

3. Number of pathogen sampling test performed (in thousands) from State plants.

Target: 56

Actual: 0

4. Standard operating procedures established for coordination of foodborne illness outbreaks and other food safety emergencies.

Target: Yes

Actual: Yes

5. Number of new formal risk assessments initiated annually to identify and quantify food safety risk.

Target: 1

Actual: 1

6. Develop and implement Uniform Laboratory Operations pilot projects.

Target: Yes

Actual: Yes

7. Strategy with HHS and USDA, and private sector groups developed and implemented to expand communications on food safety information to the general public.

Target: Yes

Actual: Yes

8. Number of people reached with food safety information through media stories, circulation reports, Home Page visits, Hotline calls (in millions).

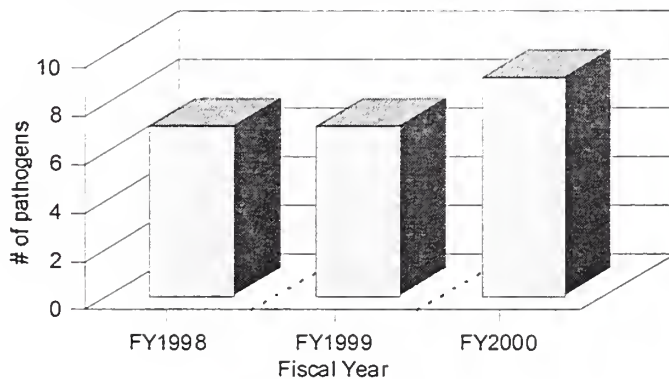
Target: 85

Actual: 85

Trend Data Charts:

Foodborne illness pathogens

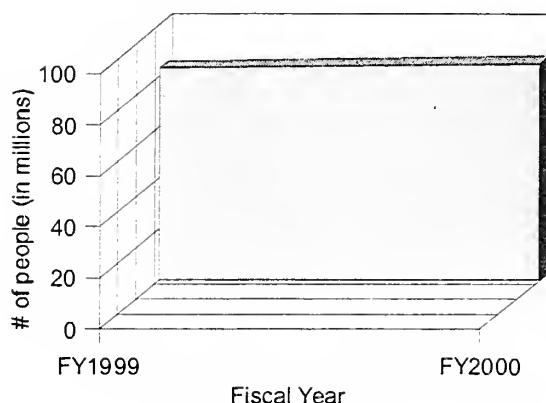
Monitored in collaboration with other agencies



Fiscal Year	Number of foodborne illness causing pathogens monitored in collaboration with the CDC, FDA and State Public Health Departments through FoodNet.	Target
Target		
1998	7	7
1999	7	7
2000	9	9

Food safety information

Number of people reached via media sources



Fiscal Year	Number of people (in millions) reached with food safety information through media stories, circulation reports, home page visits, Hotline calls.	Target
1999	83	158
2000	85	85

2000 Data: These are considered to be final programmatic data as of November 23, 2000, and no data variance is expected. FSIS considers this data to be complete and reliable.

Analysis of Results: FSIS has met performance goal two. Through its collaboration with other public health agencies, FSIS has significantly contributed to the collective knowledge necessary to improve and respond to food safety issues. FSIS met seven of the eight active targets contained in this performance goal.

1. FSIS completed the fifth year of an agreement with CDC to conduct active population-based surveillance for foodborne diseases, to conduct active population-based surveillance for foodborne diseases for precise information on foodborne illnesses, and to conduct related epidemiological investigations to help public health officials better understand the epidemiology of foodborne disease in the U.S. (FoodNet). These now include: *Campylobacter*, *E. coli* O157:H7, *Listeria*, *Salmonella*, *Shigella*, *Vibrio*, *Yersinia*, *Cryptosporidium*, and *Cyclospora* in Minnesota, Oregon, Connecticut, Georgia and selected counties in California, Maryland, New York, Colorado, and Tennessee. During FY 2000, FoodNet encompassed approximately 29 million Americans, or nearly 11% of the population.

2. The target for three FoodNet case studies being conducted was also accomplished. Currently, a case control study of *E. coli* O157:H7 has been ongoing since 1999. This is a second study that also includes isolates subtyping. A two-year study of *Listeria* infections also began in 1999 to identify food sources and potential risk factors. FoodNet case-control studies of *Salmonella* infections are also being conducted. Eating chicken and undercooked eggs was associated with sporadic *Salmonella enteritidis* and *Salmonella* Heidelberg infections.

3. The target for pathogen testing of State products was not met. Pathogen testing of State products would have been implemented if the once proposed interstate shipment legislation had been enacted. The Agency had anticipated that legislation would be passed during FY 2000, referenced the impact on FSIS within the 2000 Annual Performance Plan, and created the indicator and corresponding target specifically to meet this need.

4. The target for establishing standard operating procedures for coordinating foodborne illness outbreaks and other food safety emergencies was exceeded. In 1998, a Food Emergency Rapid Response and Evaluation Team (FERRET) was established by the Secretary to provide a quick and appropriate USDA response across agencies to food safety emergencies. Participants are FSIS; Food, Nutrition and Consumer Services; Farm and Foreign Agricultural Services; Research, Education and Economics; Marketing and Regulatory Programs; the General Counsel; the Inspector General; and Office of Communications. The Secretary appointed the Under Secretary for Food Safety as Chair, and the emergency response activities are coordinated by FSIS. In 1999 FERRET developed a USDA plan for handling food emergencies, both unintentional and intentional in nature. In 2000, the charter was finalized and planning commenced in the creation of a tabletop exercise to test the ability to respond to bioterrorism threats to the food supply.

In addition, FSIS has begun to assign some of its field epidemiologists to work with State Health Departments to enable FSIS to better coordinate foodborne illness outbreaks and recalls. Their efforts are being directed at increasing the speed and efficiency of responding to outbreaks of foodborne illness and using data on foodborne illness to prevent outbreaks.

5. The target for new formal risk assessments initiated was met. A risk assessment for Bovine Spongiform Encephalopathy (BSE) is ongoing in collaboration with scientists from USDA Animal and Plant Health Inspection Service (APHIS) and the Harvard School of Public Health and Tuskegee University School of Veterinary Medicine. Although BSE is not known to exist in the U.S., risk assessment and risk communication efforts will provide an additional measure of food safety for the American public and assurance that all reasonable measures to protect public health are effectively and efficiently being implemented. During FY 2000 FSIS initiated a new risk assessment for *E.coli* O157:H7 in beef to estimate the risk of foodborne illness under current baseline manufacturing conditions. FSIS anticipates releasing this risk assessment to the public during FY 2001.

6. The target for developing and implementing Uniform Laboratory Operations pilots projects was met. FSIS is continuing its participation in three pilot projects; laboratory infrastructure, data sharing, and program standards with partners from FDA, four State Laboratories, and two local laboratories. The first is designed to obtain ISO 17025 accreditation that is the new international standard and the highest available for testing and calibrating laboratories. During FY 2000, activities included hiring a consultant in ISO accreditation, completing intensified training, drafting standard operating procedures and policies, and conducting two gap analyses of the participating labs to assess progress. At this time, FSIS believes it is well on its way to developing a system that may lead to ISO accreditation during FY 2002. The second pilot is a prototype system to enable diverse laboratories to transmit and share standard data. This would be extremely beneficial during foodborne illness outbreaks and seasonal variances. FY 2000 saw the completion of a working model that indicates the feasibility of the concept in the context of the laboratory pilot. The third pilot program is to standardize what laboratories have to do to validate findings and methodologies. FSIS continues to participate in the development of model program criteria for meat and poultry regulatory programs. Such standardization will be particularly useful in the event Congress acts on FSIS supported legislation to permit distribution of State inspected product in interstate commerce.

7. FSIS has exceeded this indicator. The USDA/FDA Foodborne Illness Education Information Center provides information about foodborne illness prevention to educators, trainers, and organizations developing education and training materials for food workers and consumers. It is housed at the National Agricultural Library, USDA in Beltsville, Maryland, and is maintained through a cooperative agreement with the University of Maryland Department of Nutrition and Food Science.

FSIS continues to partner with other Federal agencies and industry and consumer organizations to conduct a broad-based food safety education campaign through the Partnership for Food Safety Education. As of January 2000, the Partnership had distributed more than 15,000 food safety curriculum kits for grades four through six. The Fight BAC!™ campaign continues to produce educational tools to help consumers fight foodborne illness. In September 2000, a new community workbook was published to assist local food safety educational campaigns. In May 2000, FSIS launched a campaign entitled Thermy™ geared towards encouraging consumers to use thermometers when cooking meat and poultry.

8. FSIS has met its goal of 85 million people reached with food safety information through media stories, circulation reports, circulation reports, Home Page visits, Hotline calls, etc. FSIS has been a leader in conducting a nationwide outreach effort to better inform consumers. In addition to media stories and other activities designed to reach consumers, the Meat and Poultry Hotline added a bilingual (English/Spanish) food safety specialist to the staff to upgrade its service. During FY 2000 FSIS also began issuing a press release for each recall in an updated format to better inform consumers.

Current Fiscal Year Performance: FSIS continues to actively participate in intra- and inter-agency food safety task forces and organizations such as the Partnership for Food Safety Education, to continue to enhance the public health through effective working partnerships with other public health agencies and stakeholders.

The Agency also continues its contributions to FoodNet and PulseNet. PulseNet, created by CDC, is a computerized database that matches the DNA fingerprint of foodborne diseases and accelerates the traceback process to the source of contamination.

Program Evaluations: In FY 2000, OIG completed its audit entitled "*Laboratory Testing of Meat and Poultry Products*." The audit included a review of the operations of FSIS' laboratories and microbial testing program including work done by the Accredited Laboratory Program. The OIG found that the laboratories generally follow prescribed procedures when conducting tests for pathogens, residues, food chemistry, and species identification on product samples. In addition, the laboratories produce timely and accurate test results. However, the OIG review raised some questions about the thoroughness of FSIS sample testing. Also, the OIG noted two other problems with the FSIS testing program that affected the testing of product. These included late deliveries of test samples to the laboratories that resulted in samples being discarded and the Agency's test for nitrosamines did not ensure that all meat capable of containing the carcinogen was tested. Further, the OIG found that the FSIS quality assurance activities needed to be strengthened. Finally, the OIG determined that the laboratories need to better document their operations. In general, FSIS agreed with the OIG findings and recommendations, except where noted in the OIG audit report. In addition, FSIS noted that the audit did not adequately describe the consistently high quality of the FSIS laboratory proficiency testing programs and that the audit prematurely used the International Organization for Standardization Guide 17025 (ISO Guide 17025) as a standard for FSIS laboratories.

On February 22, 2000, GAO completed its audit entitled "School Meal Programs: Few Outbreaks of Foodborne Illness Reported." The audit included a review of food safety in the National School Lunch and School Breakfast programs. GAO noted that few outbreaks of foodborne illness have been reported in connection with the USDA meal programs. USDA may have prevented or mitigated such outbreaks by collaborating with others to remove, replace, or dispose of USDA-donated foods that posed possible safety concerns. The full extent of these actions is unknown because GAO feels that the USDA has not maintained comprehensive records of the actions it has taken to address possible safety concerns associated with donated food. In general, USDA concurred with the accuracy of the information presented by the GAO in its audit report. However, USDA was concerned that the GAO report did not address its efforts and resources devoted to providing school food service personnel guidance on safe food handling practices. USDA agreed to take action on GAO's recommendation to provide schools with information on safety provisions that could be included in school food procurement contracts.

GAO completed its audit entitled "*Food Safety: Agencies Should Further Test Plans for Responding to Deliberate Contamination*" in 1999. GAO conducted the audit to determine what plans and procedures Federal food safety regulatory agencies have to respond to deliberate acts of food contamination from a biological agent. GAO concluded its audit by recommending that the Secretaries of USDA and HHS direct the Under Secretary for Food Safety and the FDA Commissioner, respectively, to test the effectiveness of their response plans and procedures by using simulated exercises and, where appropriate, to modify their plans and procedures on the basis of these tests. To the extent possible, USDA has agreed to develop and execute realistic exercises using available intelligence information concerning methods of introduction, specific biological or chemical agents used and other pertinent information. USDA will also use lessons learned from both the exercises and the intelligence community to help design additional scenarios.

In FY 2000, GAO completed its audit entitled *"Food Safety: Actions Needed by USDA and FDA to Ensure that companies Promptly Carry Out Recalls."* The audit focused on evaluating the current, voluntary recall programs at the USDA and the FDA and provided recommendations to USDA and FDA to strengthen their guidance to companies on recalls involving serious health risks and to improve their agencies' ability to assess the timeliness of companies' recall actions. During FY 2001, FSIS plans to revise and reissue its current recall guidelines for companies to include more specific timeframes for notifying the Agency of potential recalls, and for initiating and carrying out recalls in the most expeditious manner possible.

Key Performance Goal 3

Promote food safety from farm-to-table.

1) Number of collaborative initiatives undertaken to address food safety risks in animal production.

Target: 15

Actual: 24

2) Number of State agencies adopting the meat, poultry, and egg portions of the FDA Food Code for retail and restaurant establishments. (Cumulative)

Target: 15

Actual: 26

3) Number of successful civil and criminal proceedings carried out to address food safety and violations regarding the wholesomeness and labeling of food that should serve to enhance industry compliance with HACCP and food law requirements resulting from regulatory efforts with FSIS, FDA, and statutory enforcement personnel.

Target: 1850

Actual: 2252

4) Number of successful administrative enforcement cases carried out resulting from a unified regulatory effort of FSIS inspectors, compliance officers, and /or laboratory personnel that should serve to improve FSIS efforts to enhance industry compliance with HACCP food safety requirements and other administrative provisions provided by statutes.

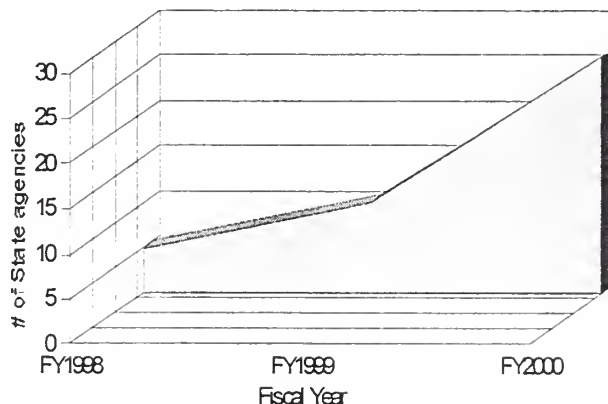
Target: 130

Actual: 189

Trend Data Charts:

Number of State agencies

Adopting relevant portions of the Food Code



Fiscal Year	Number of State agencies adopting the meat, poultry, and egg portions of the FDA Food Code for retail and restaurant establishments.	Target
1998	5	5
1999	10	10
2000	26	15

2000 Data: These are considered to be final programmatic data as of November 23, 2000, and no data variance is expected. FSIS considers this data to be complete and reliable.

Analysis of Results: The Agency exceeded the targets contained in performance goal three. FSIS recognizes that ensuring food safety in meat, poultry, and egg products requires taking coordinated steps throughout the chain of production, processing, distribution, sale, and consumption to prevent hazards and reduce the risk of foodborne illness. During the years of this FSIS Strategic Plan, the Agency has improved its working relationships with Federal, State, and local agriculture and public health agencies, strengthened State meat and poultry inspection systems through Agency support of the Food Code, and enhanced industry compliance with food safety regulations through a variety of regulatory and enforcement actions.

1. FSIS far exceeded its performance target of 15 collaborative initiatives undertaken to address food safety risks in animal production in FY 2000, and actually reached 24. FSIS continues to develop State partnerships with State animal health agencies to foster producer education on food safety issues in animal production. During FY 2000, five new States joined, bringing the total number of States in agreements for producer education partnerships to 24 over the past two years. FSIS also entered into contracts with 10 1890 universities, historically black, Native American, and/or Hispanic colleges to develop collaborative networks to educate minority and economically disadvantaged animal producers and very small packers on HACCP and animal production food safety issues. These 10 academic partnerships are in addition to the 24 State collaborative initiatives. The contract for development of animal production food safety instructional materials, a series of educational teaching modules to be used by agriculture education instructors at the high school and community college levels in addition to instructional materials for county extension agents for delivery to adult producers, has been signed and work is under development. These teaching modules and education materials will be made available through the Internet.

FSIS continues to work with producer groups and the States to develop and encourage measures to reduce food safety hazards associated with animals presented for slaughter. Work is ongoing to develop government standards for the food safety during transportation to the retail level of the farm-to-table chain. FSIS remains active with FDA and with State officials in pursuing the adoption of science-based standards, encouraging uniformity among the State laws affecting food safety, and fostering HACCP-type approaches at the retail level. Also, the FSIS Technical Service Center in Omaha, Nebraska, maintains an information line to answer technical and regulatory questions from State officials about food safety regulatory matters on meat, poultry, and egg products.

2. FSIS exceeded its FY 2000 performance target of 15 State agencies adopting the meat, poultry, and egg portions of the Food Code for retail and restaurant establishments. Twenty-five States and Puerto Rico now have at least one State-level agency with jurisdiction over retail food safety under some version of the Code. The Agency fully supports the Food Code process and is an active participant in promoting adoption of the Food Code. Through involvement in the Conference for Food Protection (CFP), FSIS helps to develop the best regulatory code possible for State adoption. The Food Code provides model standards for the regulation of foods at retail and in commercial and institutional food service operations.

Continuing a project initiated in FY 1998, FSIS conducted teleconferences and video training on safe meat poultry processing at retail establishments. The FY 1999 teleconferences, the third and fourth in the series, covered cooking, cooling, and sausage making. Each teleconference reached several thousand people, and several thousand more are expected to use the videotapes made for subsequent training. Feedback from the teleconferences showed a large demand for additional training on meat and poultry processing by State and local food regulators. FSIS joined with the Association of Food and Drug Officials and the University of Florida to develop a training manual and a two day "train the trainer" course of instruction on HACCP and

food safety with regard to processing activities inspectors frequently encounter at retail. The course has been pilot tested at several locations during FY 2000 and has been enthusiastically received. It will be offered at sites around the country starting in FY 2001. The course will be provided at minimal cost to State and local agencies, with a goal of training every State and local retail inspector responsible for meat and poultry food safety at retail.

3. The number of successful civil and criminal proceedings carried out to address food safety exceeded the FSIS estimate by 402 cases. The actual figures for FY 2000 are as follows: 2,234 letters of warning; 13 convictions; and five Federal/State convictions, making a total of 2,252 successful civil and criminal proceedings. When investigations disclose violations of meat, poultry, or egg product inspection laws or regulations, FSIS enforcement officials initiate appropriate administrative or legal action. Control mechanisms and sanctions include detentions, seizures, warning letters for minor violations, injunctions, prosecutions, withdrawal of inspection and voluntary recall of product. FSIS enforcement officials also work with FDA and with State and local food safety and public health offices to investigate sanitation and other violations and control products implicated in foodborne illness outbreaks.

4. FSIS exceeded its target for administrative enforcement cases. For FY 2000, FSIS estimated a target of 130 successful administrative enforcement cases carried out resulting from a unified regulatory effort of FSIS inspectors, compliance officers, and/or laboratory personnel that should serve to improve the Agency efforts to enhance industry compliance with food safety requirements. The actual numbers for FY 2000 are 184 suspensions, and 5 consents/withdrawals, making a total of 189 successful cases.

Current Fiscal Year Performance: FY 2000 performance in developing a comprehensive strategy for promoting food safety from farm to table has been consistently on target. FSIS expects to maintain this high standard in the future.

Program Evaluations: In FY 2000, OIG completed its audit entitled "*District Enforcement Operations Compliance Activities*." The focus of audit was to determine whether FSIS policies, procedures, and controls were adequate in providing an effective compliance review program to detect and prevent food safety violations and to ensure industry compliance with the provisions of meat and poultry inspection laws and regulations. In its findings, OIG noted that FSIS needs to enhance its existing plan to ensure compliance reviews are sufficient for detecting and preventing major food safety violations and ensure industry compliance with the provisions of meat and poultry inspection laws and regulations. FSIS agreed that additional emphasis has required a delay to certain needed improvements in traditional compliance activities. The Agency will use the audit information to strengthen its coverage of distribution channels and to assure timely and appropriate actions in response to violations that put consumers at risk. However, implementation is contingent on available resources.

In September 2000, GAO completed its audit entitled "*Food Safety: Controls Can Be Strengthened to Reduce the Risk of Disease Linked to Unsafe Animal Feed*." The focus of the audit was to examine the extent to which unsafe feed consumed by food-producing animals has been linked to human health problems. Also, the audit examined the actions taken by the FDA and the Department of Transportation (DOT) to ensure the safety of animal feed. GAO noted that few incidents of human illness in the United States have been linked directly to contaminated animal feed because public health investigations of foodborne illness cannot usually determine if the original source of the contamination is the feed, handling of the product, or another factor. To ensure that animal feed in the U.S. remain free of contaminants, GAO recommended that FDA develop and implement an enforcement strategy. GAO also recommended that other food safety agencies, including FSIS, work with the DOT and FDA to develop a strategy to regulate animal feed while it is in transport. FSIS plans on participating in this activity to develop this strategy.

Key Performance Goal 4

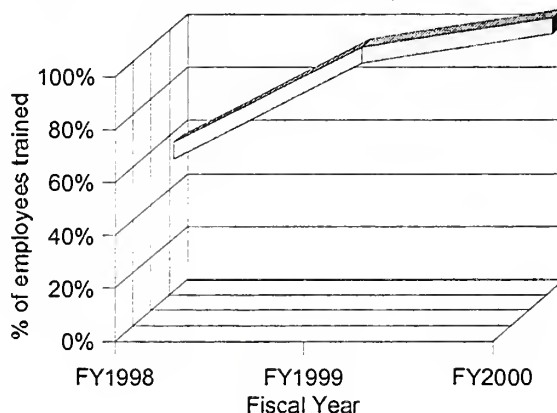
<u>Continue the necessary cultural change to support HACCP and food safety.</u>	
1. Number of employees receiving Civil Rights training.	
Target:	5,500
Actual:	7,500

2. Number of pages of regulations eliminated due to changing roles, responsibilities, or technology.
Target: 20
Actual: 47
3. Number of pages of regulations revised/reinvented due to changing roles, responsibilities, or technology.
Target: 40
Actual: 59
4. Percentage of FSIS meat and poultry employees trained in HACCP tasks and procedures (cumulative).
Target: 100
Actual: 100
5. Number of FSIS inspectors trained in FAIM each year.
Target: 1,100
Actual: 850
6. Number of FSIS computers deployed to the field each year.
Target: 800
Actual: 725
7. Number of State inspection programs fully automated to assist States in meeting mandatory HACCP requirements.
Target: 14
Actual: 24
8. Number of computers deployed to State inspection programs each year.
Target: 607
Actual: 375
9. Number of State inspectors trained in FAIM each year.
Target: 607
Actual: 415

Trend Data Charts: The trend chart for this performance measure displays the percentage of FSIS employees trained in HACCP tasks and procedures each year for FY 1998 through 2000. These values are derived by dividing the number of employees trained (numerator) by the number of employees who are eligible for that training (denominator).

Percent of FSIS employees

Trained in HACCP tasks/procedures



Fiscal Year	Percentage of FSIS meat and poultry employees trained in HACCP tasks and procedures each year.	Target
1998	54.9	54.9
1999	92.3	92.3
2000	100	100

2000 Data: The following programmatic data are considered to be final as of November 23, 2000, and no data variance is expected. FSIS considers this data to be complete and reliable.

Analysis of Results: The Agency met performance goal four. Implementation of the Pathogen Reduction/HACCP rule required a significant cultural change and changes in the roles and attitudes of both inspectors and industry. Before the implementation of HACCP, plants relied on inspectors to identify deficiencies before the company would take action to correct them. Implementation of HACCP revised and clarified the respective roles of industry and FSIS. Businesses are accountable for the safety of their meat and poultry products. Under HACCP, the plant looks at all the things that could possibly go wrong, ensure their systems prevent those problems, and take immediate action if a problem arises. The FSIS role is to set appropriate food safety standards, maintain vigorous and continuous inspection oversight to ensure those standards are met, and take enforcement action when standards are not met due to system failures. By clarifying the respective roles of industry and government, the Pathogen Reduction/HACCP rule set the stage for enabling FSIS to better target inspection and oversight on the most significant food safety hazards.

FSIS recognized early that the major cultural change accompanying the implementation of the Pathogen Reduction/HACCP regulation would require a commitment to train employees and to establish an environment that promotes such change. FSIS carried out specific programs to train inspectors and other employees to carry out the re-defined regulatory tasks and procedures. The agency has taken other steps to establish an environment of change, including regulatory reform, civil rights training, computer training, and deployment of computers as a more efficient method of providing inspectors with the information and documentation they need for their oversight of HACCP performance in the plants. Similar programs have been developed with States since the States experienced a similar cultural change under provisions of the meat and poultry inspection Acts, which require State programs to develop and enforce requirements, including HACCP, equal to those of the Federal program.

The first requirement under the rule, and contained in the 1997-2000 Strategic Plan, was for all meat and poultry plants, regardless of size, to implement Sanitation Standard Operating Procedures (SSOPs) by January 27, 1997. FSIS employees were trained in SSOP tasks and procedures and the Agency met its performance target. FSIS phased in implementation of HACCP by plant size, with inspectors in the largest plants receiving training in HACCP tasks and procedures first. This implementation plan allowed the Agency to schedule training of inspectors and other regulatory personnel, as they were needed, to staff the plants. Computers have been an important resource for HACCP implementation; computers provide field staff with access to the information they need to implement HACCP. Inspectors now have immediate access to, and ability to retrieve information from FSIS technical references, directives, manuals, and notices that are stored on each inspector's computer. Other uses of computers include computer-based training, electronic forms, plus faster access to laboratory results, such as microbiological samples and residue outcomes. For example, the results from residue samples taken from meat and poultry carcasses previously took five to seven days to reach the inspector. Today, results are communicated overnight by e-mail and are accessed by inspectors and plant management the next day.

1. In FY 2000, 7,500 employees received Civil Rights training, exceeding the target of 5,500 employees. As a result of the Civil Rights Action Team report, USDA mandated Civil Rights training for all employees. During FY 2000, FSIS delivered training in two additional Civil Rights components: Program Delivery and Sexual Harassment. The target was exceeded through the increased use of computer-based training and other electronic training media, including web-based training.

2. In FY 2000, FSIS eliminated 47 pages of regulations due to changing roles, responsibilities, or technology, exceeding its performance target of 20 pages. FSIS implemented a plan that included the

regulatory changes required by the Pathogen Reduction/HACCP rule as well as a general overhaul of existing regulations to remove unnecessary regulatory obstacles to innovation.

3. FSIS also exceeded its target for the number of pages of regulations revised or reinvented. In FY 2000, FSIS estimated that it would revise or reinvent 40 pages of regulations due to changing roles, responsibilities, or technology, and achieved 59 pages. This also reflects positively on efforts to streamline the review process necessary to promulgate new regulations.

4. By the end of FY 2000, FSIS completed training of the remaining 1,350 inspection program employees needed to complete the initial implementation of HACCP and met its performance target of having 100 percent of its meat and poultry employees trained in HACCP tasks and procedures.

5. All FSIS inspectors scheduled for Field Automation and Information Management (FAIM) training received it during FY 2000. FAIM is the Agency commitment to deploy computers to the field inspection workforce that delivers hardware, software, training, technical support and telecommunications. Although FSIS had estimated that it would train an estimated 1,100 inspectors, only 850 inspectors required it. Lower than expected district personnel turnover in prior years resulted in fewer inspectors requiring training. Therefore, the FY 2000 target was not applicable.

6. Again, FSIS deployed all computers necessary to its field during FY 2000 as part of FAIM. Although FSIS had estimated that it would deploy a projected 800 computers, only 725 were necessary. Original targets, updated early in the fiscal year based on district office surveys, determined that only 725 were necessary.

7. FSIS exceeded the target for assisting State inspection programs to fully automate. The number of State programs automated to assist States in meeting mandatory HACCP requirements is complete at 24 and exceeded the target by 10. Since it was completed ahead of schedule, this measure will be discontinued in FY 2001. State inspection programs required automation software, computers, and training assistance to support their implementation of HACCP and, thereby, ensure their programs' requirements remain "equal to" Federal inspection requirements. The FAIM program is providing automation support to the States. FSIS was able to exceed the target by replacing State program computers, which were not Y2K compliant, with computers that had the automating software installed prior to delivery.

8. During FY 2000, FSIS deployed 375 computers to State inspection programs. The estimate was 607, but four States did not have funding available in FY 2000 for their 50-percent share of the costs of computer deployment delaying the project until FY 2001.

9. State funding was also the reason that 415 State inspectors were trained in FAIM, 192 less than the target of 607. The States expect to obtain the funding in FY 2001, and the FSIS share comes from no-year funds, so the targets remain unchanged.

Current Fiscal Year Performance: Training and automation will be ongoing during FY 2001, as cultural change will continue within FSIS. While basic HACCP has been implemented, more needs to be done in a variety of areas that will require additional training, process and/or procedural changes, and automation to further the mission of the Agency.

Program Evaluations: In FY 2000, OIG completed its audit entitled "*Implementation of the Hazard Analysis and Critical Control Point System.*" The purpose of the audit was to evaluate FSIS implementation of the HACCP program and to determine whether the program was effective in ensuring the wholesomeness of the meat and poultry sold to consumers. OIG concluded that FSIS and the industry were making progress in changing from the traditional inspection methodology to the HACCP program. FSIS has developed regulations and guidance that is consistent with the seven HACCP principles, and plants have developed HACCP plans that address these principles. OIG concluded that FSIS oversight of the HACCP program would improve if the agency established an internal review of FSIS activities at meat and poultry establishments. Also, the OIG believes that FSIS needs to gain access to plant records and enhance the Grant of Inspection to where it is a contract that stipulates exactly what is required of plants

operating under the HACCP assurances.

In FY 2000, GAO completed its audit entitled *"Meat and Poultry: Improved Oversight and Training will Strengthen New Food Safety System."* The focus of the audit included a review of the implementation of the HACCP system in meat and poultry establishments, including (1) whether the system adopted by the USDA is consistent with the seven HACCP principles, (2) whether the HACCP training program for inspectors is adequate and science-based, and (3) whether there is an adequate dispute resolution process between plants and USDA. GAO found that Pathogen Reduction/HACCP regulation, along with guidance, are consistent with the seven HACCP principles. Generally, inspectors received the training needed to oversee plant implementation of HACCP, although some inspectors reported that they would benefit from refresher courses. In addition, GAO concluded that USDA dispute resolution process provides industry with an appropriate mechanism to appeal inspectors' enforcement actions. The Agency has completed an in-depth review methodology to assess an establishment's design and execution of its HACCP plan. The Agency has also trained a number of HACCP experts to conduct the reviews of HACCP programs on a scheduled and "for cause" basis.

Key Performance Goal 5

Promote international cooperation on food safety.

Percentage of imported products produced under HACCP-equivalent food safety requirements.

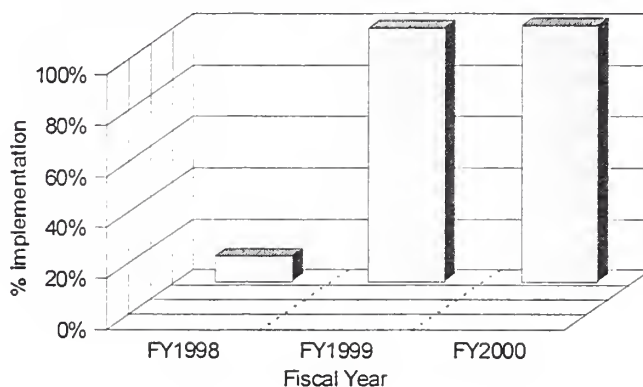
Target: 99.9%

Actual: 99.9%

Trend Charts: Because of the fairly constant target versus actual percentage levels of imported products produced under HACCP-equivalent food safety systems, there is only one trend chart for performance goal five.

IMPORTED MEAT & POULTRY

Produced under HACCP equivalent food safety requirements



2000 Data: These are considered to be final programmatic data as of November 23, 2000, and no data variance is expected. FSIS considers this data to be complete and reliable.

Analysis of Results: The Agency met performance goal five. Meat and poultry products exported from another nation must meet all safety standards applied to foods produced in the United States. However, under international law, food regulatory systems in exporting countries may employ sanitary measures that differ from those applied domestically by the importing country. The reasons for such differences include the absence or very low prevalence of particular food safety hazards, the selection of alternative controls, and national choices about management of food risks. Thus, while foreign food regulatory systems need

not be identical to the U.S. system, they must employ equivalent sanitary measures that provide the same level of protection against food safety hazards as is achieved domestically. FSIS evaluates foreign food regulatory systems for equivalence through document reviews, on-site audits, and port-of-entry product reinspection at the time of importation. This is done systematically through the FSIS Equivalency Evaluation Process. The primary driver for this has been the Pathogen Reduction/HACCP rule.

Program evaluations, discussed under performance goal one, have proven effective in verifying equivalent foreign implementation of specific sanitary measures such as those in the Pathogen Reduction/HACCP rule. When that determination is made, after a program evaluation, that country is granted eligibility to export to the U.S. or the country can not ship product. The U.S. makes determinations of equivalence by evaluating whether foreign food regulatory systems attain the appropriate level of protection provided by our domestic system. FSIS has successfully used its Equivalence Evaluation Process to ensure that exporting countries establish and maintain a food regulatory system appropriate to achieve the same level of protection provided by domestic inspection. Virtually all meat and poultry products coming into the U.S. are produced under systems equivalent to HACCP.

FSIS also works through the *Codex Alimentarius* Commission to help develop international food safety standards. *Codex* is an international governmental organization with membership from the national governments of 151 countries. The purpose of this program is to promote the coordination of all food standards work undertaken by international governmental and non-governmental organizations. Member countries are encouraged to accept and implement *Codex*-approved standards nationally, but they are not obligated to do so.

In 1998, approximately 20 public meetings were held on *Codex* standard setting activities. The *Codex* Steering Committee was restructured to help assure an appropriate integration of trade and regulatory considerations. In FY 1999, the Administrator of FSIS was elected Chairman of the *Codex Alimentarius*, helping to make Pathogen Reduction/HACCP a consideration. From 1999 through 2000 several other large *Codex* conferences were held. Through such conferences and other types of related information released throughout the year, all countries exporting meat, poultry and egg products to the U.S. were reminded that they must be deemed to have at least equivalent inspection and sanitary systems in place.

Current Fiscal Year Performance: Within the United States, overall executive direction to U.S. *Codex* efforts comes from the U.S. Manager for *Codex*, supported by the U.S. *Codex* Office, located in FSIS. *Codex* meets every two years to adopt draft and final standards, guidelines and codes of practice, and assign new work to subsidiary bodies. These subsidiary bodies perform the work of developing the standards, guidelines, and recommendations. The subsidiary bodies include the Executive Committee, Regional Coordinating Committees, Commodity Committees, General Subject Matter Committees, and intergovernmental ad hoc Task Forces.

The current Chairman of *Codex* is Mr. Tom Billy, FSIS Administrator, and in this role he is leading unprecedented efforts to improve the efficiency of management and processes within *Codex*. In these efforts, he has been strongly supported by the U.S. *Codex* efforts. Regarding acceptance of *Codex* standards, several recent laws and regulatory initiatives require consideration when developing U.S. standards that, in turn, have potential impacts on the FSIS Equivalence Evaluation Process.

The U.S. is recognized as unique among *Codex* member countries for its extensive involvement of non-government organizations in U.S. *Codex* activities. For example, the U.S. *Codex* Office has conducted more than 20 public meetings each year for the past four years. U.S. *Codex* management has been strengthened by the appointment of a permanent U.S. Manager for *Codex*, professional staff officers within the U.S. *Codex* Office, and staff temporarily assigned from other government agencies. It has long been believed that if other countries, especially developing countries, understood the technical reasons for the U.S. positions, the U.S. would be able to count on more allies in the *Codex* sessions.

Program Evaluations: In FY 2000, OIG completed its audit entitled "*Imported Meat and Poultry Inspection Process Phase 1.*" The audit included an evaluation of FSIS policies, procedures, and controls for ensuring that the food safety systems of foreign countries, plants, and establishments are equivalent to

the Pathogen Reduction/HACCP rule in the U.S. The audit also included an assessment of how effectively FSIS carried over its import inspection controls when it reorganized its operations in 1997. OIG provided 35 recommendations to FSIS to address specific problems that it reported as part of its audit. FSIS accepted 33 of the 35 recommendations.

Key Performance Goal 6

Streamline and improve the effectiveness, efficiency, and diversity of administrative and human resources support functions.

1. Number of management reviews conducted to ensure appropriate internal controls.

Target: 10

Actual: 10

2. Percentage of workforce at the GS-13 level and above who are women, minorities, or persons with disabilities.

Target: 48

Actual: 53

3. Percentage of workforce at the GS-12 level and below who are women, minorities, or persons with disabilities.

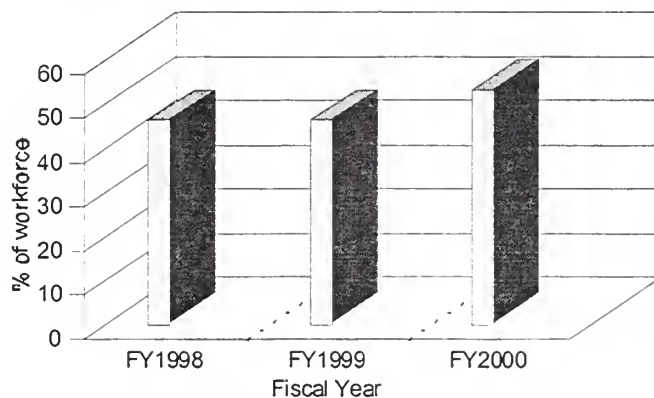
Target: 48

Actual: 53

Trend Data Charts: The trend charts for these performance measures display the percentage of the FSIS workforce, at both the GS-13 grade and above and the GS-12 grade and below, who are women, minorities, or disabled. These values are derived by dividing the number of employees who are women, minorities, or persons with disabilities at either grade 13 or 12 (numerator) by the total number of employees at that grade level (denominator).

Percentage of workforce

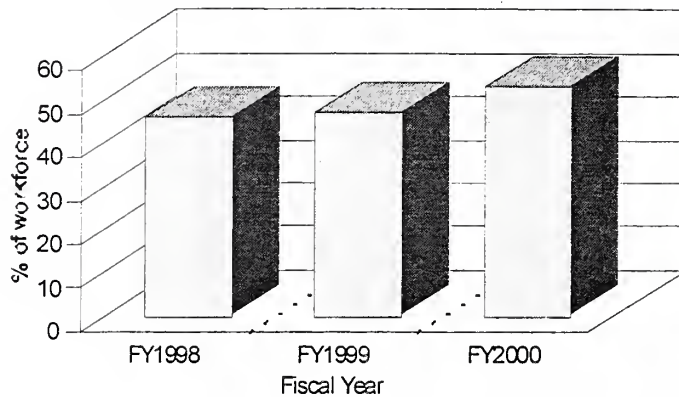
At GS-13/above who are women, minorities, or disabled



Fiscal Year	Percentage of workforce at the GS-13 level and above who are women, minorities, or persons with disabilities.	Target
1998	46	46
1999	46	46
2000	53	47

Percentage of workforce

At GS-12/below who are women, minorities, or disabled



Fiscal Year	Percentage of workforce at the GS-12 level and below who are women, minorities, or persons with disabilities.	Target
1998	46	46
1999	47	47
2000	53	47

2000 Data: These are considered to be final programmatic data as of October 19, 2000, and no data variance is expected. FSIS considers this data to be complete and reliable.

Analysis of Results: The Agency met this goal. FSIS spent considerable time improving its administrative and human resources support function effectiveness during previous fiscal years and met the targets in the areas of automation, technology and contingency planning. Indicators show that FSIS has streamlined and improved the effectiveness, efficiency, and diversity of administrative and human resources support functions. During FY 2000, FSIS dedicated efforts to meet the final three targets associated with this goal.

1. FSIS met its target for conducting management control reviews. During FY 2000, FSIS completed 10 of the projected 10 management reviews. The reviews consisted of both administrative and financial assessments of how FSIS performed in various areas.

2. & 3. FSIS exceeded its targets for improving the percentages of the workforce who are women, minorities, and persons with disabilities. During FY 1999, FSIS required a hiring freeze that resulted in vacancies in various positions and at different grade levels. During FY 2000, FSIS implemented intensive recruitment efforts to address severe staffing shortage issues created by this hiring freeze. To address these issues, Agency efforts included developing additional planning tools for use by field offices and increasing emphasis on staffing planning. FSIS established a broadened recruitment and advertising campaign and also held college recruiting and career fairs. As a result, FSIS was able to raise full-time inplant staffing levels from 7,460 at the beginning of the fiscal year to an approximate 7,635 at the end of the fiscal year.

Current Fiscal Year Performance: FY 2000 performance in the area of streamlining and enhancing administrative and human resource support functions has been consistent with its objectives. As a result of previous performance in this area and the meeting of targets for FY2000, this goal has been met and is thus completed. FSIS will continue to review its operations to stress efficiency and economy.

Program Evaluations: As a result of reporting that it violated the Anti-Deficiency Act in FY 1997 and FY

1998, FSIS took a number of corrective action steps. To assess the effectiveness of the correction action implemented and to further strengthen its financial management capabilities, FSIS contracted with the Logistic Management Institute (LMI) to have an independent evaluation of its financial management practices. In September 2000, LMI completed its independent systems and management analysis of the FSIS financial management and accounting systems in a report entitled "*FSIS's Financial Management and Accounting System Recommended Improvements and Implementation Strategy*." LMI examined and made recommendations on the current financial management operating environment at FSIS in comparison with its stated business needs, mandated requirements, and best-in-class business practices. FSIS has accepted all LMI recommendations and has developed a plan of action to address the recommendations.

In FY 2000, the Agency conducted a review to ensure that its Affirmative Employment Program for minorities, women, and individuals with disabilities is in compliance with Federal laws and regulations and USDA and FSIS policies and practices relating to equal opportunity in employment. The review identified several weaknesses and made recommendations. The Agency is considering the recommendations and its course of action.

AGRICULTURAL MARKETING SERVICE

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

AMS activities are authorized under the: Agricultural Marketing Act of 1946; Cotton Statistics and Estimates Act of 1927; Tobacco Inspection Act of 1935; Commodity Promotion, Research, and Information Act of 1996; Organic Foods Production Act of 1990; 12 free-standing commodity specific research and promotion statutes; Agricultural Marketing Agreement Act of 1937; Egg Products Inspection Act; Perishable Agricultural Commodities Act of 1930; Food, Agriculture, Conservation and Trade Act of 1990; and Food Quality Protection Act of 1996.

The mission of the Agricultural Marketing Service (AMS) is to facilitate the strategic marketing of agricultural products in domestic and international markets, while ensuring fair trading practices, and promoting a competitive and efficient marketplace, to the benefit of producers, traders, and consumers of U.S. food and fiber products. This mission is carried out through eight broad activities that encompass a wide range of programs.

The eight activities in AMS are: (1) market news; (2) standards, grading, and shell egg surveillance; (3) market protection and promotion; (4) transportation services; (5) wholesale market development; (6) payments to states and possessions; the (7) Perishable Agricultural Commodities Act program; and (8) strengthening agricultural markets and producer income (Section 32). Approximately seventy percent of the funds needed to finance AMS activities are derived from voluntary user fees. AMS provides services for private industry, State, and Federal agencies on a reimbursable basis, primarily in connection with the commodity grading programs.

More information regarding AMS programs can be found in the AMS Strategic and Annual Performance Plans. Only federal employees were involved in the preparation of this report.

The AMS website is www.ams.usda.gov

The following table provides summary information on AMS achievement of FY 2000 Performance Goals.

AMS PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance		
		1999	2000	
		Actual	Target	Actual
Goal 1: Facilitate the strategic marketing of U.S. agricultural products in domestic and international markets.	MARKET NEWS - Improve market efficiency by reporting timely and accurate information: Percentage of Market News reports released on time	90%	93%	92%
	GRADING - Maximize returns to producers and value to consumers: Weighted average grading cost per hundredweight, using constant (1990-92) dollar indexes on Prices Paid for Farm Services	\$0.08	\$0.08	\$0.08
	RESEARCH AND PROMOTION - Ensure legislative compliance without delaying research and promotion activities: Percentage of research and promotion board budgets and marketing plans approved within time frame goal	91%	91%	92%
	PESTICIDE DATA PROGRAM - Gather pesticide residue data for use in resolving dietary health risk issues and to lessen international non-tariff trade barriers: Pesticide Data Program percentage of sampling and analysis goal	100%	100%	100%
	TRANSPORTATION SERVICES - Provide technical assistance to shippers and carriers, provide economic analyses and recommend improvements to domestic and international agricultural transportation: Number of projects completed	5	6	6
	WHOLESALE MARKET DEVELOPMENT - Provide technical advice and assistance on new or upgraded wholesale market facilities and research changes in the marketplace for future product development: Number of projects completed	7	8	10

AMS PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance		
		1999	2000	
		Actual	Target	Actual
Goal 1: Continued	PAYMENTS TO STATES AND POSSESSIONS - Provide matching funds to State agencies to conduct studies or initiate programs which address a wide range of agricultural problems and opportunities: The total dollar amount of grant requests received (millions)	\$3.5	\$3.3	\$3.6
	COMMODITY PURCHASE SERVICES - Stabilize market conditions by purchasing surplus commodities and provide purchasing services to FNS for food assistance programs: Commodity Purchase Services administrative costs in constant dollars as a percentage of commodity purchases	0.8%	1.5%	1.2%
Goal 2: Ensure fair and competitive agricultural marketing through marketing tools and regulations.	SHELL EGG SURVEILLANCE - Facilitate the marketing of consumer grade eggs by assuring that quality levels are maintained: Percentage of noncomplying shell egg lots that are reprocessed or diverted	100%	100%	100%
	PESTICIDE RECORDKEEPING - Monitor private applicators of Federally restricted-use pesticides: Percentage of Pesticide Recordkeeping sampling goal attained	100%	98%	104%
	FEDERAL SEED ACT PROGRAM - Prevent misrepresentation of seed in interstate commerce: Percentage of suspected Seed Act violation cases that are completed	90%	92%	108%
	PLANT VARIETY PROTECTION - Provide protection to developers of novel varieties of sexually reproduced plants: Percentage of Plant Variety Protection application processing goal completed	100%	100%	99%
	PERISHABLE AGRICULTURAL COMMODITIES ACT - Suppress unfair and fraudulent practices in the marketing of perishable agricultural commodities: Percentage of informal PACA complaints completed within time frame goal	82%	85%	79%
	MARKETING AGREEMENTS AND ORDERS - Oversee and administer Marketing Agreements and Orders at the national level in a timely manner: Percentage of formal and informal rulemaking completed within internal time frames	94%	85%	96%
MI 1: Create and Maintain a vital workforce with appropriate skills and characteristics to serve a diverse base of customers.	Increase representation of women, minorities, and people with disabilities by FY 2000: Employment goal	51.9%	53.9%	52.3%
MI 2: Encourage and reward prudent financial stewardship, accountability, and improved business operations.	Convert AMS accounting records to the new USDA Foundation Financial Information System (FFIS) by the end of FY 2002	N/A	N/A	N/A

Goal 1: Facilitate the strategic marketing of U.S. agricultural products in domestic and international markets.

Objectives:

- 1) Collect and disseminate time-sensitive agricultural market information for domestic and foreign markets and ensure the data reported is accurate and consistent with current and future market needs.
- 2) Provide cost-effective agricultural commodity quality grading/certification services whereby market efficiency is enhanced and consumer gains exceed the cost of the service.
- 3) Provide timely and cost-effective oversight of industry initiated and financed research and promotion programs.
- 4) Implement national organic production and labeling standards, and implement an accreditation and certification program using those standards.

Key Performance Goals

<u>MARKET NEWS - Improve market efficiency by reporting timely and accurate information:</u>	
Percentage of Market News reports released on time	
Target:	93%
Actual:	92%
<u>GRADING - Maximize returns to producers and value to consumers:</u>	
Weighted average grading cost per hundredweight, using constant (1990-92) dollar indexes on Prices Paid for Farm Services	
Target:	\$0.08
Actual:	\$0.08
<u>RESEARCH AND PROMOTION - Ensure legislative compliance without delaying research and promotion activities:</u>	
Percentage of research and promotion board budgets and marketing plans approved within time frame goal	
Target:	91%
Actual:	92%
<u>PESTICIDE DATA PROGRAM - Gather pesticide residue data for use in resolving dietary health risk issues and to lessen international non-tariff trade barriers:</u>	
Pesticide Data Program percentage of sampling and analysis goal	
Target:	100%
Actual:	100%
<u>TRANSPORTATION SERVICES - Provide technical assistance to shippers and carriers, provide economic analyses and recommend improvements to domestic and international agricultural transportation:</u>	
Number of projects completed	
Target	6
Actual:	6
<u>WHOLESALE MARKET DEVELOPMENT - Provide technical advice and assistance on new or upgraded wholesale market facilities and research changes in the marketplace for future product development:</u>	
Number of projects completed	
Target:	8
Actual:	10
<u>PAYMENTS TO STATES AND POSSESSIONS - Provide matching funds to State agencies to conduct studies or initiate programs which address a wide range of agricultural problems and opportunities:</u>	
The total dollar amount of grant requests received (millions)	
Target:	\$3.3
Actual:	\$3.6
<u>COMMODITY PURCHASE SERVICES - Stabilize market conditions by purchasing surplus commodities and provide purchasing services to FNS for food assistance programs:</u>	
Commodity Purchase Services administrative costs in constant dollars as a percentage of commodity purchases	
Target:	1.5%
Actual:	1.2%

2000 Data: The 2000 data are final. AMS programs collect performance goal data based on their internal operations and records. AMS program managers have certified the accuracy of the data submitted for this report. AMS program review staffs review the collection of performance data to ensure that the accomplishment data being collected is based on actual performance and that the system to collect the data can be tracked and verified. AMS Compliance staff will include the review of performance measure data collection in any program review activities they conduct. They will be responsible for ensuring that the performance accomplishment data for agency level performance measures, especially those that include multiple agency components, can be verified and validated.

Analysis of Results: All programs under this strategic goal exceeded or met their performance targets, with only slight differences, all of which were within a reasonable tolerance. AMS Market News Program has improved its performance between 1999 and 2000, but missed its goal by 1%.

Current Fiscal Year Performance: Since FY 2000 performance has been satisfactory for most programs, only slight adjustments to the performance measures were necessary. The Market News program will work to fully reach its performance goal in fiscal year 2001 by increasing the monitoring of field offices obtaining information and working with industry to obtain the information in a more timely manner.

Program Evaluations: No strategic program evaluations were conducted.

Goal 2: Ensure fair and competitive agricultural marketing through marketing tools and regulations.

Objectives:

- 1) Reform the Milk Marketing Order Program pursuant to mandates of the 1996 Farm Bill.
- 2) Improve service to customers of the Perishable Agricultural Commodities Act (PACA) Program through modernization of licensing procedures and more timely handling of formal reparation complaints.
- 3) Increase knowledge of and compliance with Pesticide Recordkeeping requirements through the education of private, certified applicators of Federally restricted use pesticides.

Key Performance Goals

<u>SHELL EGG SURVEILLANCE - Facilitate the marketing of consumer grade eggs by assuring that quality levels are maintained:</u>	
Percentage of noncomplying shell egg lots that are reprocessed or diverted	
Target:	100%
Actual:	100%
<u>PESTICIDE RECORDKEEPING - Monitor private applicators of Federally restricted-use pesticides:</u>	
Percentage of Pesticide Recordkeeping sampling goal attained	
Target:	98%
Actual:	104%
<u>FEDERAL SEED ACT PROGRAM - Prevent misrepresentation of seed in interstate commerce:</u>	
Percentage of suspected Seed Act violation cases that are completed	
Target:	92%
Actual:	108%
<u>PLANT VARIETY PROTECTION - Provide protection to developers of novel varieties of sexually reproduced plants:</u>	
Percentage of Plant Variety Protection application processing goal completed	
Target:	100%
Actual:	99%
<u>PERISHABLE AGRICULTURAL COMMODITIES ACT - Suppress unfair and fraudulent practices in the marketing of perishable agricultural commodities:</u>	
Percentage of informal PACA complaints completed within time frame goal	
Target:	85%
Actual:	79%
<u>MARKETING AGREEMENTS AND ORDERS - Oversee and administer Marketing Agreements and Orders at the national level in a timely manner:</u>	
Percentage of formal and informal rulemaking completed within internal time frames	
Target:	85%
Actual:	96%

2000 Data: The 2000 data are final for activities under this goal. AMS programs collect performance goal data based on internal operations and records. AMS program managers have certified the accuracy of the data submitted for this report. AMS program review staffs review the collection of performance data to ensure that the accomplishment data being collected is based on actual performance and that the system to collect the data can be tracked and verified. AMS Compliance staff will include the review of performance measure data collection in any program review activities they conduct. They will be responsible for ensuring that the performance accomplishment data for agency level performance measures, especially those that include multiple agency components, can be verified and validated.

Analysis of Results: All programs except for one under this strategic goal exceeded or met their performance targets, with only slight differences, all of which were within a reasonable tolerance. The only exception was the Perishable Agricultural Commodities Act program. The goal measures the completion of informal PACA complaints within a set time frame. The target for this goal was to complete 85% of the informal PACA complaints within the time frame. PACA completed 79% of the complaints received. The reason for the variance was due to the extra workload created by complaints of fraudulent inspections at the Hunts Point Terminal Market.

Current Fiscal Year Performance: Since FY 2000 performance has been largely satisfactory, only slight adjustments to the performance measures were necessary. The PACA program does not expect to have a recurrence of FY 2000 workload levels. Therefore, no change in the measure is necessary.

Program Evaluations: None conducted during FY 2000.

Management Initiative 1: Create and maintain a vital workforce with appropriate skills and characteristics to serve a diverse base of customers.

Key Performance Goal

<u>Increase representation of women, minorities, and people with disabilities by FY 2000.</u>	
Target:	53.9%
Actual:	52.3%

2000 Data: The 2000 data are final, based on official NFC personnel reports. AMS collects performance goal data based on the official records.

Analysis of Results: Our analysis indicates that although we increased our representation of women and minorities in fiscal year 2000, we did not meet our target. However AMS has steadily increased its percentage of women and minorities over the past 5 years between FY 1996 and FY 2000, AMS increased its percentage of women and minorities in the AMS workforce by 2.6%. Furthermore, AMS decreased its permanent workforce in FY 2000 by 76 employees due to program relocations and site consolidations necessary to maintain program efficiency and effectiveness, thereby hampering our efforts to meet our target.

Current Fiscal Year Performance: Although AMS was deficient by 1.6% in achieving its goal in FY 2000, the agency continues to maintain its commitment to increasing representation of women, minorities, and people with disabilities in the workforce.

Descriptions of Actions and Schedules: AMS will continue to strengthen its efforts to improve its performance to obtain our FY 2001 goal of 55.9% so that we can maintain a vital workforce with appropriate skills and characteristics to serve our diverse base of customers.

To increase the number of employees with disabilities, the Disability Employment Program has developed a five year Disability Employment Plan. The Plan was developed in response to executive order that the federal work place increase the number of employees with disabilities by one million by FY 2005. The plan promotes aggressive recruitment of employees with disabilities, through college recruitment, utilizing the workforce recruitment program for students with disabilities, and maintaining partnership with state vocational rehabilitation programs.

AMS programs will increase their usage of the Washington Intern for Native American Students Program (WINS), the Hispanic Association of Colleges and Universities Program (HACU), and the 1890 Scholar Program. We recently developed a cooperative agreement with Southern University to develop students interested in pursuing agricultural careers.

Program Evaluations: None conducted during FY 2000.

Management Initiative 2: Encourage and reward prudent financial stewardship, accountability, and improved business operations.

Key Performance Goals

Convert AMS accounting records to the new USDA Foundation Financial Information System (FFIS) by the end of FY 2002.
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Target: n/a

Actual: n/a

Due to the timing of this project, there is no data available for this measure. AMS has begun planning for conversion in FY 2001 and will report progress against the goal when the information is available.

Animal and Plant Health Inspection Service
Annual Performance Report
Fiscal Year 2000

The Animal and Plant Health Inspection Service (APHIS) was established on April 2, 1972, pursuant to the authority of the Reorganization Plan No. 2 of 1953. The mission of the Agency is to lead the way in anticipating and responding to issues involving animal and plant health, conflicts with wildlife, environmental stewardship, and animal well-being. Together with our customers and stakeholders, we promote the health of animal and plant resources to facilitate their movement in the global marketplace and to ensure abundant agricultural products and services for U.S. customers.

APHIS is comprised of five major functional areas: (1) Pest and Disease Exclusion, (2) Plant and Animal Health Monitoring, (3) Pest and Disease Management, (4) Animal Care, and (5) Scientific and Technical Services. For the statutory authority for work performed in the five program areas, and for the goals and objectives for each of the program areas, please see the APHIS Strategic Plan.

This FY2000 Annual Program Performance Report for APHIS addresses the performance goals and indicators that were cited in APHIS' FY2000/2001 Annual Performance Plan. Only Federal employees were involved in the preparation of this report.

Note to reader: Since the development of the FY2000 APHIS Annual Performance Plan in September 1999, APHIS engaged in an extensive strategic planning process that resulted in a revision of its strategic plan for FY2000-2005. During this process, a few measures contained in the FY2000 APHIS Annual Performance Plan were discontinued. These measures are clearly referenced at the end of our report in Appendix A.

During its strategic planning process, APHIS also developed many new and improved performance measures to guide program direction and management. APHIS was actually able to collect baseline data during FY2000 for these new measures. These will be reflected in subsequent annual performance plans.

Strategic Goal	Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Strategic Goal 1: Safeguard U.S. plant and animal resources against introductions of foreign pests and diseases, while meeting international trade obligations.	Obj. 1.1 – AQI <u>Minimize the risk of invasive species introduced into the U.S.</u> Compliance rates at U.S. borders for International air travelers Border vehicles Cargo: Sea (refrigerated) Sea (non-refrigerated) Air	95.8% 97.6% 98.1%	95.4% 97.1% 96.5%	95.2% 97.1% 97.3%
	Approach rates at U.S. borders for International air travelers Border vehicles Cargo: Sea (refrigerated) Sea (non-refrigerated) Air	See Appendix A	See Appendix A	See Appendix A
	<u>Satisfy customers and stakeholders</u> Percentage of international air passengers cleared through the Federal Inspection Service primary inspection process within 30 minutes (non-peak times)	85%	85%	85%
	Percentage of international travelers on land borders cleared through the Federal Inspection Service primary inspection process within 30 minutes (non-peak times)	85%	85%	85%
	Obj. 1.2 – Cattle Fever Ticks <u>Limit the number of infested premises found outside the quarantine zone</u> Number of cattle fever tick infested premises found outside the quarantine zone	8	25	31
	Obj. 1.3 – Foot-and-Mouth Disease/Other Foreign Animal Diseases <u>Minimize outbreaks of FMD in Colombia</u> FMD detections: Colombia: Darien Gap buffer zone	0	0	0
	Obj. 1.4 – Fruit Fly Exclusion and Detection <u>Minimize fruit fly outbreaks in Mexico and Guatemala</u> Medfly detections: Chiapas, Mexico Peten free zone (Guatemala)	180 0	100 0	100 0
	<u>Minimize the number of fruit fly outbreaks established in the U.S.</u> Number of fruit fly outbreaks established in the U.S. Severity of fruit fly outbreaks in the U.S. (sq. mi.)	4 62	0 162	1 71.6
	Obj. 1.5 – Import Export <u>Increase the number and value of agricultural products exported from the U.S.</u> New or modified cumulative export protocols facilitating US access to new overseas markets Number of SPS (trade barrier) issues resolved	32 73	37 N/A	49 N/A
	Obj. 1.6 – Screwworm <u>Reduce positive screwworm cases reported in the isthmus of Central America</u> Free areas (U.S., Mexico, Guatemala, Belize, El Salvador, Honduras, Nicaragua) Costa Rica Panama	2 19 2,943	0 0 1,500	0 0 240

	Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
	Obj. 1.7 – Tropical Bont Tick <u>Eradicate tropical bont tick in the Caribbean Islands declared free of tropical bont tick</u>	0	3	0
	Obj. 1.8 – Invasive Species (prevention) <u>Enhance APHIS' ability to perform its mission as it relates to preventing the introduction of invasive species in support of Presidential Executive Order 13112 and the National Plant Board's recommendations from their review of APHIS' Pest Safeguarding System</u> New Pathway risk analyses completed New invasive species pathways determined	See Appendix A	See Appendix A	See Appendix A
Strategic Goal 2: Minimize agricultural production losses and export market disruptions by quickly detecting and responding to new invasive agricultural pests and diseases or other emerging agricultural health situations.	Obj. 2.1 – Animal Health Monitoring and Surveillance <u>Identify, maintain, and enhance the health status of U.S. livestock and poultry</u> Percentage of surveyed producers using information from the National Animal Health Monitoring System (NAHMS)	86-89%	75%	78%
	Obj. 2.2 – Pest Surveillance and Detection <u>Use the best information to make risk based decisions on presence/absence/prevalence of diseases of phytosanitary concern</u> Detections of new incidents of exotic plant pests	334	270	482
	Obj. 2.3 – Animal and Plant Health Regulatory Enforcement <u>Increase rates of compliance with Agency regulations</u> Technical quality rating of completed case reports (scale of 1 to 3)	2.2	2.3	2.3
	Obj. 2.4 – Emergency Management System <u>Prevent, detect, and respond to animal health emergencies</u> Number of States and Territories meeting standards for state animal health emergency management systems	N/A	3	0
	Obj. 2.5 – Invasive Species (survey) <u>Enhance APHIS' ability to perform its mission as it relates to preventing the introduction of invasive species in support of Presidential Executive Order 13112 and the National Plant Board's recommendations from their review of APHIS' Pest Safeguarding System</u> New agreements to detect invasive species Detections made as a result of these agreements	See Appendix A	See Appendix A	See Appendix A

Strategic Goal 3: Minimize risks to agricultural production, natural resources, and human health and safety by effectively managing existing agricultural pests and diseases and wildlife damage in the US.	Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
	Obj. 3.1 – Wildlife Services Operations <u>Protect property, natural resources, and crops from damage caused by beavers</u> Losses avoided in millions of dollars	22	20	27
	<u>Satisfy customers</u> Percentage of Wildlife Services customers satisfied (each year a different customer base is surveyed) Direct control and technical assistance customer base Livestock customers who received direct assistance	89% Wildlife Services Livestock customers 89%	N/A N/A	N/A N/A
	<u>Protect threatened and endangered species from harm caused by wildlife</u> Number of species Percentage of threatened/endangered (T&E) species projects where the wildlife population is increased or maintained	N/A 93%	80 90%	143 93%
	<u>Protect human health and safety from wildlife risks</u> Increase passenger safety by reducing the risk of aircraft striking wildlife (mammals and birds) (<i>High Impact Agency Goal</i>) Protect public health by reducing confirmed canine rabies cases in orally vaccinated areas of Texas (% of cases)	75% for 63% of projects 95%	70% for 60% of projects 95%	70% for 51% of projects 100%
	Obj. 3.2 – Aquaculture <u>Facilitate the movement of aquatic animals in international commerce</u> Cumulative number of export markets receiving aquaculture products	50	50	51
	Obj. 3.3 – Biological Control <u>Develop biocontrol programs to prevent/slow pest establishment and spread</u> Number of pests for which biological control programs are developed, implemented or transferred	11	11	11
	Obj. 3.4 – Boll Weevil <u>Eradicate boll weevil</u> Cumulative acres eradicated of boll weevil (<i>in thousands</i>)	4,700	5,300	5,200
	Obj. 3.5 – Brucellosis <u>Eradicate brucellosis</u> States in Class Free status (brucellosis) includes the District of Columbia, the U.S. Virgin Islands, and Puerto Rico	47	48	48
	Obj. 3.6 – Golden Nematode <u>Increase acres surveyed to prevent spread of golden nematode</u> Number of acres surveyed for golden nematode	3761	6200	7099
	Obj. 3.7 – Gypsy Moth <u>Reduce the number of gypsy moth infestations</u> New isolated infestations exceeding 640 acres	3	4	4
	Obj. 3.8 – Emerging Plant Pests <u>Eradicate Asian Longhorned Beetle (ALB)</u> Asian longhorned beetle infestation sites in eradication program	7	9	9
	Obj. 3.9 – Noxious Weeds <u>Minimize the introduction and establishment of foreign weeds in the U.S.</u> New weed infestations detected/assessed through the National Early Warning System	12	20	See Appendix A

	Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
	Obj. 3.10 – Pink Bollworm <u>Minimize infestations of pink bollworm outside of regulated area</u> New infestations of pink bollworm outside the regulated area	0	2	2
	Obj. 3.11 – Pseudorabies <u>Eradicate pseudorabies</u> Number of Stage V States	33	41	35
	Obj. 3.12 – Scrapie <u>Eradicate scrapie</u> Flocks advancing in the voluntary scrapie flock certification program	377	400	534
	Obj. 3.13 – Tuberculosis <u>Eradicate tuberculosis</u> States in Accredited-Free Status (including U.S. Virgin Islands and Puerto Rico)	46	49	49
	Obj. 3.14 – Witchweed <u>Reduce acres infested with witchweed</u> Acres infested with witchweed at end of season	5540	4900	5400
Strategic Goal 4: Ensure the humane care and treatment of animals covered under the Animal Welfare Act and the various laws protecting horses.	Obj. 4.1 – Animal Welfare <u>Increase the percentage of facilities in compliance</u> Percentage of facilities in compliance	59%	60%	58%
	Obj. 4.2 – Horse Protection <u>Reduce the percentage of horses inspected that exhibit abnormalities of the front feet</u> Percentage of inspected horses that exhibit signs of soring on the forelegs	44%	42%	42%
Strategic Goal 5: Develop and apply scientific methods that benefit agricultural producers and consumers, protect the health of American animal and plant resources, and sustain agricultural ecosystems.	Obj. 5.1 – Wildlife Services Methods Development <u>Develop useful, appropriate methods</u> Number of new and improved wildlife damage management methods tested by the National Wildlife Research Center	18	18	18
	Obj. 5.2 – Biotechnology/environmental protection <u>Facilitate the development of non-threatening biotechnology derived products</u> New crop varieties genetically engineered	50	56	52
	Obj. 5.4 – Plant Methods Development Laboratories <u>Develop useful, appropriate methods</u> Percentage of new technologies transferred that have reduced established populations of invasive pests, or have improved efficiencies or effectiveness in excluding pests, detrimental to agriculture or plant ecosystems	N/A	60%	See Appendix A
	Obj. 5.5 – Veterinary Biologics <u>Ensure that veterinary biologics are pure, safe, potent, and effective</u> Licenses and permits issued annually after review, testing and inspection	139	140	122
	Obj. 5.6 – Veterinary Diagnostics <u>Provide quality lab services</u> NVSL's diagnostic response capabilities against international standards showing improvement over last review	N/A	0	1

Management Initiative	Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Serve the public effectively and efficiently.	<u>Improve results and service</u> Percentage of APHIS employees operating from standard hardware/software platform	90%	95%	See Appendix A
	<u>All APHIS programs and activities are delivered in a manner which is free from discrimination</u> Level of outreach increased	50%		See Appendix A
	Reduction in percent of complaints or allegations of discrimination in program delivery by customers and service beneficiaries	50%		See Appendix A
	<u>APHIS employees and applicants are valued for their diversity and afforded equal opportunity in all aspects of employment such as recruitment, hiring, promotion, career development and awards</u> Progress made toward decreasing under representation	1%		See Appendix A
	Number of employment discrimination complaints by employees and applicants are reduced	55%		See Appendix A
	Percentage of employees receiving mandatory civil rights training	100%	100%	100%
	<u>APHIS employees and managers are responsible for working together to resolve the problems at the lowest level of the organization which minimizes the need for formal resolution</u> Number of employees using informal options prior to filing formal complaints			See Appendix A
	<u>Improve program efficiency</u> Increase the ratio of supervisors to employees to direct a higher percentage of Agency resources to service delivery	1:8		See Appendix A
	Reduce the number of APHIS regional locations to maximize efficiencies and cross-utilization of resources	7		See Appendix A
	<u>Stewardship</u> Percentage of eligible delinquent debt sent to Treasury for administrative offset and debt management cross servicing			See Appendix A
	Convert to FFIS system by FY 2001		Completed	Completed

Strategic Goal 1: Safeguard U.S. plant and animal resources against introductions of foreign pests and diseases, while meeting international trade obligations.

Objective 1.1 – Agricultural Quarantine Inspection (AQI) – To maintain the risk of introduction of invasive species into the U.S. at acceptable levels to protect American agricultural resources, maintain marketability of agricultural products, and facilitate the movement of people and commodities across the borders.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Minimize the risk of invasive species introduced into the U.S. (Obj. 1.1)</u>			
Compliance rates at U.S. borders for			
International air travelers	95.8%	95.4%	95.2%
Border vehicles	97.6%	97.1%	97.1%
Cargo: Sea (refrigerated)	98.1%	96.5%	97.3%
Sea (non-refrigerated)			
Air			
Approach rates at U.S. borders for			
International air travelers			
Border vehicles			
Cargo: Sea (refrigerated)			
Sea (non-refrigerated)			
Air			See Appendix A

2000 Data: It is important to note that compliance rates are based on statistical sampling; the margin of error is +/-0.5 percent. The actual performance results, which are listed in the table above, are the midpoint of the range. The data used to measure this performance goal are collected through Plant Protection and Quarantine (PPQ) AQI Monitoring activities. Data are collected at multiple ports of entry for the air passenger, border vehicle and cargo pathways by applying standard statistical sampling procedures. Although there is a small percentage of poor data quality (due to port personnel changes, equipment failure and nonsupport by some local management) the quality and reliability of the monitoring data continues to be acceptable. PPQ national and regional managers are working with specific ports to improve data quality, support issues, and equipment problems. (see second paragraph under "Program Evaluations")

Analysis of Results: APHIS achieved its FY 2000 performance goals aimed at reducing the threat of agricultural pests and diseases approaching U.S. borders. These high compliance rates contribute to PPQ's successful efforts to safeguard U.S. plant and animal resources against introductions of foreign pests and diseases.

APHIS uses a number of strategies to deal with the myriad pathways by which exotic agricultural pests and diseases could enter the U.S. One of the key strategies is to assess which agricultural products are likely to be carrying exotic invasive pests and diseases and then to use the Agency's regulatory authority to prohibit those products from being brought to the U.S. This enables the Agency to more easily monitor and inspect for the most significant agricultural health threats, many of which are difficult to detect among the thousands international travelers approaching our borders every day. APHIS uses a number of methods to encourage compliance with its quarantine regulations, including public awareness campaigns to help the public and importers understand the need for compliance, inspections of passenger baggage and cargo at points of origin, posting inspectors at ports of entry, and expediting inspection activities in coordination with other Federal Inspection Service agencies.

Program Evaluations: In FY 1999, APHIS PPQ sought input from stakeholders through a formal review process, to evaluate the effectiveness of its safeguarding procedures. The result of this review generated many recommendations. PPQ has implemented many of the recommendations to date and is currently assessing the remaining recommendations to determine feasibility for implementation. Many of these recommendations directly relate to safeguarding activities.

This past September (Fiscal Year 2000) PPQ's Center for Plant Health Science and Technology coordinated a statistical review of the AQI Monitoring activities using an outside, non-APHIS, source. This report is still being reviewed and edited but preliminary results indicate that the AQI Monitoring data was "...very clean and consistent and for most PPQ pathways, showed good uniformity for year to year data."

Objective 1.1 – AQI – To maintain the risk of introduction of invasive species into the U.S. at acceptable levels to protect American agricultural resources, maintain marketability of agricultural products, and facilitate the movement of people and commodities across the borders.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Satisfy customers and stakeholders (Obj. 1.1)</u>			
Percentage of international air passengers cleared through the Federal Inspection Service primary inspection process within 30 minutes (non-peak times)	85%	85%	85%
Percentage of international travelers on land borders cleared through the Federal Inspection Service primary inspection process within 30 minutes (non-peak times)	85%	85%	85%

2000 Data: This is a joint High Impact Agency goal with U.S. Immigration Service and U.S. Customs Service (USCS). Data is collected by the USCS and provided to APHIS. The USCS conducts periodic cycle time surveys throughout the year to determine final clearance time results.

Analysis of Results: APHIS was successful in meeting the performance goal of satisfying customers and stakeholders. Due to the millions of travelers who pass through U.S. airports and our land border ports daily, APHIS has effectively partnered with its sister Federal Inspection Service (FIS) agencies to ensure efficiency while carrying out its mission. APHIS' overall goal is a timely, seamless process, integrated with clearance processes of the other agencies in the FIS that will ensure the fastest passenger clearance time while safeguarding against the introduction of harmful pests and diseases of animals and plants.

Program Evaluations: There were no program evaluations for this program in FY 2000.

Objective 1.2 – Cattle Fever Ticks – To prevent the establishment of cattle fever ticks, and their associated diseases, in the U.S.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Limit the number of infested premises found outside the quarantine zone (Obj. 1.2)</u>			
Number of cattle fever tick infested premises found outside the quarantine zone	8	25	31

2000 Data: Records on tick status are maintained on a county basis and reflect the status of individual ranches or properties within the county. This data is put together at the tick program level to provide the national report. During 2000, APHIS found 31 tick infested premises outside the quarantine zone, more than the 25 identified as a target.

Analysis of Results: The target, as originally established, was not met. However, during 2000, the measure was revised to help encourage a focus on effectiveness on APHIS' efforts to eliminate these outbreaks when they occur. The new measure tracked the percentage of cattle fever tick outbreaks, outside the quarantine zone, that are eliminated in less than 12 months. This target was met. APHIS was successful in minimizing the number of foreign pest and disease outbreaks in the US. 100 percent of cattle tick outbreaks outside the quarantine zone were eliminated in less than 12 months. So even though APHIS found 31 cattle tick infested premises outside the tick quarantine zone, (rather than 25), 100 percent of the outbreaks were eliminated in less than 12 months. APHIS is on track for meeting the targets of these revised program performance goals in FY 2001.

Description of Actions and Schedules: Although 31 total tick infested premises outside the quarantine zone were found in 2000, only 18 of those premises were still infected at the end of 2000. All of those 18 premises had been infested for less than 12 months and ticks are expected to be eliminated from those premises within the target period. Therefore, APHIS continues to meet the overall program goal of preventing cattle fever ticks from becoming permanently established outside the quarantine zone along the border in south Texas. The number of cattle fever ticks found in Texas each year varies because of weather, water levels in the Rio Grande, and the levels of tick populations in Mexico. The year 2000 was very dry, with low water levels in the Rio Grande, and high tick populations in Mexico, thus more outbreaks were found than anticipated. The factors causing the higher tick levels are biological and weather connected. APHIS has no control over those factors, but does attempt to eliminate tick outbreaks outside the quarantine zone within 12 months. Therefore the performance measure was changed. APHIS uses horseback patrols and systematic

surveys along the border to identify any animals that may have ticks. Control measures are then used to eliminate outbreaks outside the quarantine zone within the one-year goal.

Program Evaluations: There were no program evaluations for this program in FY 2000.

Objective 1.3 – Foot-and-Mouth Disease/Other Foreign Animal Diseases - To exclude Foot-and-Mouth Disease and other foreign animal diseases from the U.S. by quickly detecting and controlling outbreaks of these diseases in key foreign locations.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Minimize outbreaks of FMD in Colombia (Obj. 1.3)</u>			
FMD detections:			
Colombia: Darien Gap buffer zone	0	0	0

2000 Data: Annual technical reviews are conducted by either a Board of Commissioners or a Senior Review Group consisting of animal health authorities. Animal disease laboratories in Mexico and Panama and the USDA reference laboratories in Plum Island, New York, and Ames, Iowa, are used to identify diseases of concern in the program areas. Much of the program operations are geared toward surveillance of animal populations in the program areas, and detailed sampling protocols are in place to ensure that disease incidents are reported promptly and accurately.

Analysis of Results: The target to keep detections of FMD in Columbia to “0” was achieved. In Columbia APHIS’ active participation in a program to eradicate foot and mouth disease has been highly effective, resulting in no breach of the FMD barrier in Panama.

Program Evaluations: There were no program evaluations completed in FY 2000.

Objective 1.4 - Fruit-Fly Exclusion and Detection – To control and eradicate fruit flies, primarily the Mediterranean fruit fly and Mexican fruit fly, in foreign countries where they may pose a serious threat to U.S. agriculture and to conduct detection and prevention activities in the U.S.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Minimize fruit fly outbreaks in Mexico and Guatemala (Obj. 1.4)</u>			
Medfly detections:			
Chiapas, Mexico	180	100	100
Peten free zone (Guatemala)	0	0	0
<u>Minimize the number of fruit fly outbreaks established in the U.S (Obj. 1.4)</u>			
Number of fruit fly outbreaks established in the U.S.	4	0	1
Severity of fruit fly outbreaks in the U.S. (sq. mi.)	62	162	71.6

2000 Data: Fruit Fly outbreaks in Mexico and Guatemala - Program personnel in Mexico and Guatemala have placed thousands of Medfly traps throughout the program’s free zone. Advanced geographic information systems are used to map out weekly surveillance results, which are reported to program managers for analysis and response. Scientists from the USDA Agricultural Research Service continue to research better trapping methods to ensure that the pest is quickly and accurately detected.

Fruit fly outbreaks in the U.S. - Fruit fly outbreaks were minimized to just one, which was not Mediterranean. APHIS is on track for meeting the targets of these program performance goals in FY 2001.

The data are dynamic. The period of time that we typically detect fruit fly outbreaks is between April and November. In the past decade, most outbreaks (66%) occur between April and September, approximately 25% occur in October, the remainder in November. Data for this indicator is collected on a calendar year cycle. Detection of a fruit fly is reported to National Staff within 48 hours and entered into a database for analysis and archiving. Daily narratives of delimiting surveys are generated and reported locally. When thresholds (numbers of flies) outlined in national emergency response guidelines are met, regulatory and control activities are started. Quarantine boundaries are determined according to guidelines published in the CFR and those written in the Emergency Response Guidelines. The size of quarantined areas is determined by translating guideline requirements and actual physical area through use of the latest GIS/GPS software and instrumentation.

Analysis of Results: Fruit Fly outbreaks in Mexico and Guatemala - The target to reduce the number of infestations to 100 was achieved. Progress continues in 2001.

Fruit Fly outbreaks in the U.S. - The performance goal was not met in FY 2000. The only outbreak to occur during 2000 was a West Indian Fruit Fly *Anastrepha obliqua* (WIFF) event in Texas' south Rio Grande River Valley (RGV). Eradication efforts are ongoing to eliminate WIFF. During 2000, APHIS was still encouraged by the absence of an outbreak of the most damaging of fruit flies, the Mediterranean fruit fly (Medfly). When dealing with biological systems, we can assume some of the positive outcome may be attributed to the continued progress in the Medfly Emergency Program in Southern Mexico. However, continued success may also be attributed to the control and regulatory measures in southern Mexico-northern Guatemala (Moscamed Program) and at U.S. ports of entry. Finally, much of the success can be attributed to the pest management regimens, or Preventative Release Programs (PRP), being carried out in California and Florida. These are continuous sterile Medfly release programs that target high risk areas of introduction, e.g., international ports of entry, densely populated areas, vendors with international shipments, etc., to prevent sporadic fruit fly introductions from becoming established.

We have secured funding to continue the PRP programs in California and Florida. The purpose of the PRP is to prevent the establishment of the Medfly colonization by continually releasing sterile Medflies into the environment. The PRP area in California has expanded from 2155 to 2489 square miles surrounded by natural barriers of forest, ocean, and several mountain ranges. The PRP continues to operate year round by releasing sterile Medflies, trapping for detection of "wild" Medflies, survey of host fruit for immature (larvae) Medflies, providing fly identification for trapped or intercepted suspect flies, and data management for information and program effectiveness.

Relationship of Mexican/U.S. efforts to minimize Fruit Fly outbreaks: Measuring the number of outbreaks indicates the success of APHIS' overall pest exclusion programs. The establishment of Medfly in the U.S. could disrupt the fruit and vegetable industry due to crop damage and loss of export markets. Keeping Mexico free of Medfly will reduce the risk that this pest will be introduced in the U.S. As part of the safeguarding system, we continue to participate in the eradication of Medfly from Mexico (Ref.: Moscamed Program) by pushing the Medfly barrier through Guatemala into El Salvador. If we break or reduce our participation in this, or similar, programs outside the U.S. Borders, fruit fly experts predict that, if not contained or eradicated in Mexico, the pest could reach the U.S. by 2005.

Since August 2000, WIFF has been detected ten times in south Texas along or near the Mexican border. WIFF prefers guavas and mangos, with citrus a suspect host, a joint eradication and emergency quarantine action by the TDA and APHIS is being carried out until determination of the attractiveness of RGV citrus as a preferred host is confirmed.

In addition to our interest in RGV host attractiveness research, APHIS is pursuing other options associated with managing WIFF populations. Evidence of reproducing populations of WIFF across the border in Mexico has led APHIS to increase inspections at RGV border ports for preferred hosts. There has been preliminary information exchange between stakeholders regarding sterile WIFF production and field application. Finally, we have explored options associated with improved WIFF trapping or detection technology.

The detection and management of the minor outbreak of WIFF in RGV, is evidence of our ability to detect, delimit, and eliminate the threat of any fruit fly infestation nationwide. Even though we continue to detect single fruit fly events, none except for the WIFF have approached the regulatory and control thresholds established in Federal regulations or emergency guidelines. This is consistent with our program goals to detect introductions of exotic fruit flies in their first generation or when no more than one square mile is involved.

Description of Actions and Schedules for Fruit Fly Outbreaks in the U.S.: The severity of the WIFF outbreak is below the 81 square mile outbreak threshold. This indicates the trapping, or detection, program is working and the outbreak, when discovered, is limited to a small area. Emergency guidelines call for an 81 square mile quarantine area around most commonly intercepted exotic fruit fly outbreaks. This number is often less, as in the case of the RGV this year (approximately 72 square mile), due to limited host material. As of mid-December 2000, the WIFF program has surveyed approximately 46,000 and treated 2,370 acres.

In addition, multi-agency teams whose primary objective is to identify and close pathways for illegal agriculture commodities, have been implemented as part of the Agency's smuggling interdiction initiatives. The inspection and seizure of prohibited agricultural commodities found in commerce that may be infested with exotic insect pests and plant diseases is the primary goal of these smuggling interdiction teams. They

also serve as a clearinghouse for information exchange on pest exclusion and regulatory compliance activities.

Program Evaluations: Fruit Fly outbreaks in Mexico and Guatemala - Ongoing evaluation of the Fruit Fly program in Mexico and Guatemala led to a change of the program goal: Create a fly-free barrier at the Guatemala/El Salvador border. (In other words, the barrier has been moved further south due to the success of the eradication activities.)

Fruit Fly outbreaks in the U.S. - Previous program reviews by a panel of international fruit fly experts recommended implementation of area wide sterile fruit fly release programs in high risk areas in concert with enhanced trapping activity (see discussion above regarding PRP). The additional recommendations regarding release rates and use of sterile genetic sexing strains were implemented successfully. APHIS has committed funds for conversion of its Hawaii sterile fruit fly production facility from a standard strain to a male-only temperature sensitive lethal (TSL) strain to support the ongoing PRP programs. In addition, APHIS will provide Methods Development support during technology transfer and pursuant operations.

The 2000 Safeguarding Report submitted by the National Plant Board in July 1999, at APHIS' request, resulted in more than 300 recommendations currently being grouped for evaluation and implementation. The recommendations associated with fruit fly pest management, i.e., cooperate with other entities to ensure early, accurate detection of new and emerging pests and to respond appropriately to those detections are included in program-specific initiatives like smuggling interdiction, prohibition of entry, transit, and export of plant products not in compliance with U.S. requirements.

In FY 1999, APHIS PPQ sought input from stakeholders through a formal review process, to evaluate the effectiveness of its safeguarding procedures. The result of this review generated many recommendations. PPQ has implemented many of the recommendations to date and is currently assessing the remaining recommendations to determine feasibility for implementation. Many of these recommendations directly relate to pest detection activities.

Objective 1.5 – Import Export – To further the export of U.S. animals and animal products, ensure that imported animals and animal products present minimal risk of introducing damaging exotic animal diseases into the U.S. livestock and poultry population, and promote timely and efficient health certification processes for U.S. imports and exports. **Sanitary/Phytosanitary Management (SPS) –** To minimize the threat of foreign agricultural pests and diseases entering the U.S. by ensuring that agricultural trade complies with international science-based plant and animal health standards.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Increase the number and value of agricultural products exported from the U.S.</u> <u>(Obj. 1.5)</u>			
New or modified cumulative export protocols facilitating US access to new overseas markets	32	37	49
Number of SPS (trade barrier) issues resolved	73	TBD	

2000 Data: The staff officers who negotiate the protocols and the issues track the data for these two measures. Data for one of the key indicators – number of SPS (trade barrier) issues resolved – will be available later in March 2001, when the APHIS SPS Accomplishments report is published.

Analysis of Results: APHIS met its targets for FY 2000.

APHIS negotiated 17 new or modified export protocols for animals and animal products in FY 2000. There were five new animal products export protocols. For live animals and germplasm, there were 12 new export protocols; six that open new markets and six that expand markets.

In all, APHIS helped ensure that live animals were exported to 75 countries, poultry and hatching eggs to 104 countries, aquaculture animals and eggs to 51 countries, semen and embryos to 94 countries. In addition, APHIS and other trade actively addressed export issues by having frequent meetings with our trading partners including: Bilateral meetings with Mexico, Trilateral meetings with Canada and Mexico, and Quadilateral meetings with Canada, Australia and New Zealand.

In FY 2000 APHIS was again successful in resolving many agricultural trade barrier issues related to animal or plant health. Although the FY2000 APHIS SPS Accomplishments report has not yet been published, regular monitoring of trade issue negotiations indicates that APHIS' efforts have contributed greatly toward USDA's goal of expanding US agricultural exports. For example, in August negotiations with Japan led to an expanded market for several varieties of nectarines not previously allowed because of phytosanitary concerns. This expansion of the nectarine market has the potential to increase exports by up to \$500,000 per year. APHIS also helped facilitate US exports by negotiating with plant and animal health officials to release shipments held up at ports of entry. For example, in September when South Korean officials held a US shipment of 40 thousand pounds of cattle hides valued at \$100,000, the APHIS Foreign Service Officer in Korea assured the Koreans about the certification of the shipment, and the hides entered Korea soon after.

Program Evaluations: APHIS did one major review of its SPS issue activities in FY2000. The review, "Sanitary and Phytosanitary (SPS) Activities in the Regional Office in Mexico City,," was done by APHIS International Services. A review team of SPS experts in APHIS looked at the way trade issues are managed in Mexico. Some program process, staffing, and structural changes were made as a result of the review recommendations.

Objective 1.6 – Screwworm – To prevent economic losses to the U.S. livestock industry from the reintroduction of screwworms by eradicating the screwworm through the Central American Isthmus to the Darien Gap area of Panama.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Reduce positive screwworm cases reported in the isthmus of Central America (Obj. 1.6)</u>			
Free areas (U.S., Mexico, Guatemala, Belize, El Salvador, Honduras, Nicaragua)	2	0	0
Costa Rica	19	0	0
Panama	2,943	1,500	240

2000 Data: Suspect samples are identified in an identification laboratory to determine if they are screwworms or other types of larval flies. Field stations are established to monitor the quality of dispersed sterile flies and to evaluate the sterility of SW egg masses recovered from the edges of wounds. Surveillance occurs in free areas. Program personnel review all surveillance data for accuracy.

Analysis of Results: APHIS met its target of “0” positive screwworm cases in Costa Rica and greatly exceeded its target in Panama by keeping positive screwworm cases reported in Panama to 240 instead of the 1500 target. In FY 2000, APHIS has made excellent progress toward eradicating or controlling foreign pests that pose specific risks to US agriculture. For its two largest foreign-based cooperative eradication programs – Mediterranean fruit fly and Screwworm – progress continues in FY 2001. Screwworm may be completely eradicated from Panama in 2001, which would be the culmination of over 25 years of efforts to eliminate this pest from Central America and establish a permanent barrier at the Isthmus of Panama.

Program Evaluations: A major evaluation of the screwworm program – to set future direction for the program now nearing completion of its main eradication goal — was designed and planned in FY2000. The evaluation results will be available during 2001. Continued monitoring of animal health disease data in Central America has led to decisions to devote additional resources to cooperative activities that build on the animal disease surveillance infrastructure built up over the years in the Screwworm eradication campaigns.

Objective 1.7 – Tropical Bont Tick – To prevent the introduction to the U.S. of tropical bont tick by eradicating it from the Caribbean.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Eradicate Tropical Bont Tick in the Caribbean (Obj. 1.7)</u>			
Islands declared free of Tropical Bont Tick	0	3	0

2000 Data: In the tropical bont tick program a United Nations FAO program in which APHIS plays a minor role, US activities in the program have focused on 3 islands north of Guadeloupe which have tropical bont tick infestations that pose a threat to US agriculture – the islands are St. Kitts, Nevis, and Antigua. Surveillance data collected through the Cooperative Amblyomma Program indicated that in 2000 the Tropical Bont Tick was not totally eradicated from any of these islands.

Analysis of Results: The target to eradicate 3 islands of tropical bont tick was not achieved. APHIS will continue to provide funding, program guidance, and technical expertise to this large cooperative program involving many international organizations. All involved entities will continue to explore effective methods to be more successful in eradicating this pest. The islands of Barbuda and Anguilla will be added to the program as well.

Description of Actions and Schedules: Program managers in the tropical bont tick program continue regular evaluations of surveillance data. This has led to a shift of program goals for future years to better reflect international cooperation realities of this program.

Objective 1.8 – Invasive Species (prevention) – To enhance APHIS' ability to perform its mission as it relates to preventing the introduction of invasive species in support of Presidential Executive Order 13112 and the National Plant Board's recommendations from their review of APHIS' Pest Safeguarding System.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Enhance APHIS' ability to perform its mission as it relates to preventing the introduction of invasive species in support of Presidential Executive Order 13112 and the National Plant Board's recommendations from their review of APHIS' Pest Safeguarding System (Obj. 1.8)</u> New Pathway risk analyses completed New invasive species pathways determined	N/A	N/A	See Appendix A

Strategic Goal 2: Quickly detect and respond to introductions of foreign agricultural pests and diseases or other emerging agricultural health threats, to minimize production losses and export market disruptions.

Objective 2.1 – Animal Health Monitoring and Surveillance – To identify, maintain, and enhance the health status of U.S. livestock and poultry, to protect American food sources, and to strengthen their domestic and international marketability.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Identify, maintain, and enhance the health status of U.S. livestock and poultry</u> <u>Obj. 2.1)</u>			
Percentage of surveyed producers using information from the National Animal Health Monitoring System (NAHMS)	86-89%	75%	78%

2000 Data: Participant evaluations for NAHMS studies include a question regarding the usefulness of NAHMS reports (individual producer reports or national results, depending on the study) on the operation. Evaluations of cattle feedlot operations were conducted in 1999, with the data analyzed and a report written in 2000. The data compiled in 2000 showed that 78% of the participants in the cattle feedlot study found the information useful.

Analysis of Results: The goal of 75% of surveyed producers using information from NAHMS was met. Comparisons between years are difficult because a different segment of the animal industry is evaluated each year.

Current Year Performance: APHIS expects to achieve the stated goal during 2001. However, while this outcome will continue to be tracked internally, it has been discontinued from the APHIS plan for 2001. Other key outcomes with their goals and indicators better reflect APHIS efforts to achieve strategic goal 2.

Program Evaluations: The NAHMS programs were reviewed in 1999. Because of a change in leadership at the Center for Epidemiology and Animal Health where these studies are conducted, final consideration of the recommendations in the 1999 review was moved to 2001.

Objective 2.2 – Pest Surveillance and Detection – To use the best survey information available to make risk based decisions on the presence, absence and/or prevalence of plant pests and diseases of phytosanitary concern to the U.S.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Use the best information to make risk based decisions on</u> <u>presence/absence/prevalence of diseases of phytosanitary concern (Obj. 2.2)</u>			
Detections of new incidents of exotic plant pests	334	270	482

2000 Data: The information reflected in this report is from data retrieved from the Agency's National Agricultural Pest Information System (NAPIS). The information was developed from cooperative detection surveys and information validated through agreements with cooperators.

Based on last year's performance and current year activities, PPQ has adjusted its FY 2001 performance target to 550 detections of new incidents of exotic plant pests.

Analysis of Results: APHIS successfully met, and actually exceeded its target of number of new incidents of exotic plant pests.

The target was exceeded in FY 2000 due to better and increased commitments from cooperators to input data on new exotics and an increase in better identification of pests. The target of 270 that was lower than the previous target for FY 1999 may have been an incorrect assumption that the number of exotics detected would decrease. Therefore, the target for FY 2001 has also been changed and increased. An increase in numbers may actually mean that exotics are being found sooner rather than later, which enables the agency and cooperators to better manage or eradicate a population before high populations exist.

Program Evaluations: There were no program evaluations completed in FY 2000. However, PPQ continues to implement recommendations related to Pest Detection that were identified in the FY 1999 APHIS PPQ Safeguarding Review.

Objective 2.3 – Animal and Plant Health Regulatory Enforcement – To encourage and support compliance of APHIS programs, laws, and regulations by providing effective investigations and technical enforcement services.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Increase rates of compliance with Agency regulations (Obj. 2.3)</u> Technical quality rating of completed case reports (scale of 1 to 3)	2.2	2.3	2.3

2000 Data: The 2000 results of 2.3, represents the average score, on a scale of 1 to 3 where 2.0 is an acceptable case. This result was obtained from the review of over 300 investigative case files. Senior level investigative specialists trained in analyzing evidence and investigative techniques review the files. The review process has been standardized to produce consistent results between the different reviewers.

Analysis of Results: The program did meet its goal for FY 2000, and the results show we are on target to meet our case quality improvement goals for FY 2001. We continue to target a higher proportion of the reviews to cases that had been reviewed by newer employees and those with lower performance to provide constructive feedback where it would have the most benefit in enhancing case quality.

This measure will not be represented in the 2001 Performance Plan. It will be used in analytical discussions for its contribution to other program outcomes. Data will continue to be collected and used for internal management decision-making.

Current Year Performance: Higher quality cases increase both customer satisfaction and the likelihood of successful case resolution. The 2000 result of 2.3 is within the expected range of 2.1 to 2.3. The results also reflect our continued focus on new and lower performing investigators to obtain improvement where it is needed most. Achieving our 2001 target of 2.3 is obtainable, but there is a need to continue to ensure that resources are available to conduct at least the same level of review as in previous years.

Program Evaluations: There were no program evaluations completed in FY 2000.

Objective 2.4 – Emergency Management System – To prevent, detect, and respond to animal health events that may have a sudden, negative economic impact on the livestock and poultry population of the U.S.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Prevent, detect, and respond to animal health emergencies (Obj. 2.4)</u> Number of States and Territories meeting standards for state animal health emergency management systems	N/A	3	0

2000 Data: From late 1998 through June of 1999, each state, Puerto Rico and the Virgin Islands assessed their own animal health emergency management system. Based on the assessment results, *Standards for State Animal Health Emergency Management Systems* were drafted by the National Animal Health Emergency Management Steering Committee, reviewed by Federal and State animal health professionals in each state and territory, and distributed in January of 2000. These standards cover emergency management plans, written agreements specifying roles and responsibilities, authorities and policies, surveillance, communication, training and education, and funding.

An informal survey of Federal Area Veterinarians In Charge showed that while progress has been made, and several states reported that they met all of the standards, there are no states that could be verified as having met all of the standards. Instead of trying to verify the data collected informally, APHIS is planning a more formal process for both measuring and verifying that will involve the key Federal and State partners in each state. This process will begin mid-summer and be completed in December of 2001. This process of measuring and verifying this data is proving to be time and resource intensive and may not be practicable annually.

Analysis of Results: APHIS did not meet the target. With the standards in place for only 9 months, APHIS and its partners focused on raising awareness about the standards. Regional emergency management directors and headquarters staff visited states to help with issues raised by the standards, Area-Veterinarians-in-Charge worked with State Veterinarians on emergency management issues, and Veterinary Services personnel participated in animal health emergency test exercises conducted by the states.

Description of Actions and Schedules: In 2001, APHIS plans to use some of the money allocated for the Emergency Management Program to begin to provide states with grant money to help them meet the standards. State funding and policies may impact the results of this initiative.

Current Year Performance: The goal of 5 states meeting the emergency management system standards in FY 2001 is achievable.

Program Evaluations: Other than the assessment in FY 1999, and the informal survey in early 2001, there have been no other formal reviews of the state animal health emergency management systems.

Objective 2.5 – Invasive Species (survey) – To enhance APHIS' ability to perform its mission as it relates to the surveillance and detection of invasive species in support of Presidential Executive Order 13112 and the National Plant Board's recommendations from their review of APHIS' Pest Safeguarding System.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Enhance APHIS' ability to perform its mission as it relates to preventing the introduction of invasive species in support of Presidential Executive Order 13112 and the National Plant Board's recommendations from their review of APHIS' Pest Safeguarding System (Obj. 2.5)</u>			
New agreements to detect invasive species			See
Detections made as a result of these agreements	N/A	N/A	Appendix A

Strategic Goal 3: Minimize risks to agricultural production, natural resources, and human health and safety by effectively managing existing agricultural pests and diseases and wildlife damage in the U.S.

Objective 3.1 – Wildlife Services Operations – To provide Federal leadership in managing problems caused by wildlife. To reduce damage caused by wildlife to lowest possible levels while, at the same time, reducing wildlife mortality.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Protect property, natural resources, and crops from damage caused by beavers (Obj. 3.1)</u>			
Losses avoided (in millions of dollars)	22	20	27
<u>Satisfy Customers</u>			
Percentage of WS customers satisfied	89%	N/A	See Appendix A
<u>Protect threatened and endangered species from harm caused by wildlife</u>			
Number of T&E species protected	N/A	80	143
Percentage of threatened/endangered (T&E) species projects where the wildlife population is increased or maintained	93%	90%	93%
<u>Protect human health and safety from wildlife risks</u>			
Percent reduction of risk of aircraft striking wildlife, at airports with APHIS projects	75% for 63% of projects	70% for 60% of projects	70% for 51% of projects
Protect public health by reducing confirmed canine rabies cases in orally vaccinated areas of Texas (% of cases)	95%	95%	100%

2000 Data: The Wildlife Services (WS) program is involved in a wide variety of activities aimed at reducing conflicts between humans and wildlife. These activities range from protecting threatened or endangered birds from predation by other wildlife, to removing beaver dams that are flooding nearby roads or bridges. County, state, or federal agencies, as well as private individuals and organizations, collect much of the data about the results of WS work. WS personnel gather and record some of this information as well.

This wide variety of work requires a wide variety of data collection techniques and complex measurement tools. The program has been challenged by the fact that there is often no single correct methodology for calculating some of these results. Differences in specific program activities, due to unique circumstances (e.g., environmental or biological), make it difficult to prescribe a "best method" for calculating impacts and results. Also, the somewhat subjective nature of some issues makes it difficult to quantify results. For example, while there may be general agreement about how to calculate the damage that has already occurred to a bridge or a road due to a nearby beaver dam, what is more subjective, and thus, more difficult to measure, is how much further damage could occur if WS does nothing to resolve the problem. This damage that is *prevented* by WS personnel, is often much more complicated and subject to professional opinion. In these types of situations, it is the practice of WS to use very conservative models to estimate these results.

With this in mind, WS set out to measure their program results in 4 major areas for FY 2000. These areas are: Airport Safety, Rabies Spread, Beaver Damage, and Threatened & Endangered (T&E) Species. In all cases, the program's overall objectives were to minimize current damage between wildlife and humans and/or prevent further damage from occurring.

Data collected for FY 2000 by WS personnel working at airports shows that WS efforts to reduce wildlife hazards are having a significant impact. Measuring this impact quantitatively, however, is extremely complex. Using a series of different measuring tools, WS personnel estimate that they reduced the risk of aircraft striking wildlife by 70% for just over half of the projects where they could calculate these results. The target for FY 2000 was that WS personnel would be able to reduce this risk by 70% for roughly 60% of the projects where it could calculate these results. This was a significant increase over the 1999 target, which had been set at only 10% for all projects. Actual results data for FY 1999 served as the impetus for this dramatic increase. Because of this very ambitious jump, WS was unable to meet its FY 2000 target.

A variety of factors influenced this result. First, the lack of good historical bird strike data has made it extremely difficult to determine program effectiveness at many airports. Wildlife strikes are voluntarily reported by airport authorities to the FAA and experts estimate that the degree of underreporting is significant—at least 80% for most airports. This makes it very difficult to accurately measure the impact of WS program activities. Second, information around local wildlife populations (wildlife presence) is often scarce, making it difficult for WS personnel to measure the impact their program is having on wildlife affecting aviation safety in the airport environment. Because WS is not a regulatory agency and has no authority over the airports' actions or the

collection of wildlife population data, it is very difficult for WS to track this information. It must rely on the airport managers' willingness to accurately record it. Third, it takes several years for airports to accurately develop baseline data around strikes and/or wildlife populations once it decides to resolve its wildlife hazards. In fact, it is not uncommon for *reported* strike rates to increase in the first few years of WS involvement, not because actual strike rates are increasing, but because the airport managers have become more aware of wildlife strikes and make a greater effort to record them.

Analysis of Results: Overall, Wildlife Services has met its key outcome to protect agricultural resources, natural resources, human health and safety, and property from wildlife damage. With the exception of Airport Safety, the program met or exceeded its targets for FY 2000. In fact, for this key outcome, WS used 5 different indicators to gauge its performance. The program met or exceeded its targets for 4 of these 5 indicators. With respect to Airport Safety, however, the following analysis has been provided.

Increasing passenger safety, by reducing the risk of aircraft striking wildlife, is the ultimate goal of WS personnel working at civilian and military airports around the country. Birds and other wildlife that strike aircraft are a serious problem and have the potential to cause the catastrophic loss of a major jetliner at airports around the country.

Wildlife Services saw a significant expansion of its airport activities between 1999 and 2000. In 1999 WS personnel worked at 363 airports, doing both direct operational management work and providing technical assistance and consultations. In 2000 that number increased to 418 airports, a jump of 15% in one year, with no appreciable increase in federal dollars to support program activities. Given the long-term process of developing accurate baseline data, and the significant increase in the number of new airports, it is not surprising to see fewer projects where risk is reduced so significantly. Wildlife Services personnel did reduce the risk of wildlife strikes by at least 50% for roughly 64% of the projects calculating these results.

Description of Actions and Schedules: Wildlife Services intends to achieve its target in subsequent years by doing a variety of things. First, it will increase its level of collaboration and cooperation with the FAA and other federal agencies in reducing risks to the traveling public. This involves implementing an interagency Memorandum of Understanding (MOU), as well as long-term planning and communication with the airport authorities and the traveling public about the potentially serious consequences of ignoring wildlife hazards around airports. This effort will also involve raising airport managers' awareness about the importance of regularly reporting these data, which, in turn, will help them better manage these problems and help WS calculate these results for a greater portion of its airports. The draft MOU has recently been sent back to FAA and it is hoped that the final document will be signed by the end of this fiscal year. Second, it will develop a national strategic business plan to more clearly define its programmatic goals and objectives. This includes continued refinement of the measurement system used by the program to monitor results, including the need for more accurate baseline information about the actual wildlife hazards that currently exist. A final business plan is expected to be ready by the end of this fiscal year as well.

Program Evaluations: The Wildlife Services Management Team has spent the last two years evaluating its most current set of strategic planning organizational documents. It has conducted a series of interviews with WS managers and key external stakeholders, including the members of its National Wildlife Services Advisory Committee. The purpose of these interviews has been to gain insight around the future direction of the program, based upon its organizational strengths and the future needs of its constituents. Through this general evaluation process, the WS Management Team has selected a series of program areas where it intends to develop more specific business plans. These business plans will articulate a more comprehensive set of measurable outcomes, roles for WS personnel and others in achieving these outcomes, and the resources required to adequately meet them. It will also describe the means and strategies necessary to attain these resources. It is likely that as these business teams work together, there will be further refinement of the current measures used in this report, and development of additional indicators as the WS program expands its range of activities.

Objective 3.2 – Aquaculture – To assist the aquaculture industry in improving the health of aquatic livestock, and to facilitate the movement of aquatic animals in international commerce. To reduce bird damage to aquaculture while ensuring the continued viability of migratory bird species.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Facilitate the movement of aquatic animals in international commerce (Obj. 3.2)</u>			
Number of foreign markets receiving US aquaculture products	50	50	51

2000 Data: The staff member responsible for each program is also responsible for ensuring the reliability and accuracy of the data.

Analysis of Results: The aquaculture program met its 2000 target.

Program Evaluations: There were no program evaluations completed in FY 2000.

Objective 3.3 – Biological Control – To safeguard plant and animal resources from exotic pests and diseases and manage pests to protect plant resources.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Develop Biocontrol programs to prevent/slow pest establishment and spread (Obj. 3.3)</u>			
Number of pests for which biological control programs are developed, implemented or transferred	11	11	11

2000 Data: The number of pests for which biological control programs were developed, implemented, or transferred includes actual Agency run programs as well as cooperator programs being supported, at least in part, by Agency resources, including technical expertise, funding, and technology transfers.

Analysis of Results: In FY 2000, the Agency's biological control program met the established performance goal. This was due, in part, to the continued development of Agency partnerships with cooperators at foreign governments, international organizations, other Federal agencies, State and local governments, universities, nonprofit organizations, and industry.

Program Evaluation: There were no program evaluations completed in FY 2000.

Objective 3.4 – Boll Weevil – To eradicate boll weevil from all cotton growing areas in the U.S. and Northern Mexico by the year 2003, in cooperation with States, the cotton industry, and Mexico.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Eradicate Boll Weevil (Obj. 3.4)</u>			
Cumulative acres eradicated of boll weevil (<i>in thousands</i>)	4,700	5,300	5,200

2000 Data: The data presented for FY 2000 is based on production figures provided by the National Cotton Council and the respective program areas. State laws require growers to certify their cotton acreage each year of an eradication program. The data collected during the certification process has been used to determine the acreage involved in each program area. The indicator target numbers represent actual acres of cotton planted.

Analysis of Results: APHIS did not meet its performance indicator target of 5,300 (in thousands) cumulative acres eradicated of boll weevil. However, APHIS is very encouraged with the Boll Weevil Eradication Program. The target was not met due to the growers' choices to plant crops other than cotton. The number of acres that are or will be involved in APHIS' eradication program represent only the planted portion of cotton fields. APHIS sets its acreage eradication targets based on current knowledge, at the time, of total cotton acreage susceptible to Boll Weevil infestation. APHIS treats these entire fields. However, sometimes growers decide to plant a portion of their former cotton field with another crop. APHIS then can't count this acreage. Therefore, the indicator target would have been achieved if growers had planted cotton for the projected acreage.

Since eradication activities began in 1983, this program has eradicated Boll Weevil from over 5million acres of cotton in sequential expansion across the southern United States. As of October 2000, the program has eradicated boll weevils from Arizona, California, Florida, Georgia, North Carolina, South Carolina, Virginia, most of Alabama, middle Tennessee, northwestern Mexico, and the Southern Rolling Plains in Texas. APHIS has transferred full operational responsibility to the growers in eradicated and non-infested areas.

Description of Actions and Schedules: Of the 14 million acres of U.S. cotton, over five million acres are in the post-eradication phase, seven million acres are in the active phase, and three million acres are proposed for Page 20

future eradication. Of the 3 million acres proposed for future eradication, 2.4 million will enter the program in the summer of 2001. APHIS provides critical oversight, coordination, and technical support to the eradication program. APHIS expects to eradicate boll weevil from all cotton growing areas of the US and northern Mexico by 2003. The program's continued oversight in eradication and non-infested areas demonstrates APHIS' ability to effectively manage plant pests that threaten agriculture.

Program Evaluations: There were no program evaluations completed in FY 2000.

Objective 3.5 - Brucellosis – To continue brucellosis eradication procedures in domestic cattle, swine, and vison for at least 5 to 10 years after eradication of the disease from all States, to eliminate any disease sources found and prove to the international community that the disease has been eradicated.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Eradicate Brucellosis (Obj. 3.5)</u>			
States in Class Free status for Brucellosis (includes District of Columbia, Virgin Islands, Puerto Rico)	47	48	48

2000 Data: The staff member responsible for each program is also responsible for ensuring the reliability and accuracy of the data.

Analysis of Results: The brucellosis program met its 2000 target.

Current Year Performance: The brucellosis program expects to meet its target for 2001. One additional state received class free status in December 2000. Two other states should receive class free status early in 2001. The final two states have no infected herds and will become eligible for class free status in FY2002. As of late December 2000, no herds anywhere in the nation were in quarantine status for brucellosis. If this continues, all states should reach class free status in 2001 and 2002. Surveillance continues so that any reinfection can quickly be identified, contained, and eradicated.

Program Evaluations: In 2000, VS conducted brucellosis program evaluations in FL, LA, MO, and SD.

Objective 3.6 – Golden Nematode – To maintain a risk based management system to prevent the spread of golden nematode and new infestations in potatoes, and to facilitate international and interstate agricultural shipments.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Increase acres surveyed to prevent spread of Golden Nematode (Obj. 3.6)</u>			
Number of acres surveyed for golden nematode	3761	6200	7099

2000 Data: Data for the Golden Nematode (GN) program is collected directly from PPQ field personnel by the program manager. Program personnel have over 20 years experience in conducting survey, regulatory and treatment functions. Live GN cysts extracted from soil samples are submitted to an Agriculture Research Service nematologist for GN race determination.

Analysis of Results: The GN program exceeded its program targets for FY 2000. The regulatory program is successful in New York because it is preventing the spread of GN to other potato-producing states. Early detection of new infestations is the primary means of slowing the spread of GN. The increase of almost 1500 acres surveyed for GN is attributed to having efficient program personnel in place to conduct the actual field surveys. All samples taken from the additional acres surveyed were negative for GN. A good regulatory program and planting of resistant varieties has caused the population of GN to drop below detectable levels. An increase in acreage in this case is a positive step for the program showing that GN does not exist on the increased acreage surveyed.

Program Evaluations: There were no program evaluations completed in FY 2000.

Objective 3.7 – Gypsy Moth – To manage the risk of artificial spread of the European gypsy moth into uninfested areas of the U.S.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Reduce the number of Gypsy Moth infestations (Obj. 3.7)</u>			
New isolated infestations exceeding 640 acres	3	4	4

2000 Data: APHIS uses the National Agricultural Pest Information System (NAPIS) database to access information on acreage surveyed and infestations detected and completed reports of risk and pathway analysis. NAPIS is also used to evaluate the success of management activities associated with the Gypsy Moth program. APHIS works to prevent the artificial, long distance movement of the European Gypsy Moth (EGM) to uninfested areas of the United States. Currently, this program includes survey, control, and regulatory activities. The program conducts survey activities in cooperation with the States to detect and delimit isolated populations outside of the generally infested area. Surveys support the regulatory program and provide a basis for imitating control activities. During FY 2000, APHIS placed approximately 300,000 pest detection and delimitation traps throughout the United States.

Analysis of Results: APHIS met the performance indicator target of 4 new isolated infestations exceeding 640 acres. APHIS works to prevent the artificial, long distance movement of Gypsy Moth to uninfested areas of the U.S. Currently this program includes survey, control and regulatory activities. APHIS conducts regulatory activities within the generally infested area and the inspection, treatment, and certification of regulated articles for movement to non-infested areas. APHIS regulates the movement of logs, mobile homes, nursery stock, and outdoor household articles (OHA) from infested areas. APHIS cooperates with State agricultural inspectors to conduct inspections and certify shipments of non-OHA regulated articles. Because of the large number of household moves out of the generally infested area (estimated to exceed 250,000 per year), self-inspection is necessary to supplement State and Federal resources for the regulatory control of OHA movement. In FY 2000, the Slow the Spread program continued nationwide and APHIS supported an "Enhanced Regulatory Program," and established cooperative agreements with Illinois, Indiana, Michigan, North Carolina, Ohio, Virginia, West Virginia, and Wisconsin. APHIS made available approximately \$33,500 to each State to educate the public and industry on the potential of the artificial spread of GM. APHIS used contingency funds for GM control activities, in cooperation with the States and the FS, to eliminate identified isolated infestations. APHIS is responsible for all isolated infestations not exceeding 640 acres that occur on State or private land.

Program Evaluations: There were no program evaluations completed in FY 2000.

Objective 3.8 – Emerging Plant Pests – To maintain infrastructure flexibility to deal with a range of plant pest infestations not otherwise covered as an individual budget line item.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Eradicate Asian Longhorned Beetle (ALB) (Obj. 3.8)</u>			
Asian Longhorned Beetle infestation sites in the eradication program	7	9	9

2000 Data: APHIS' ALB eradication program consists of detection and delimiting surveys to determine the beetles' scope, regulatory activities to prevent the movement of infested wood products or nursery stock to other States, control activities (including tree removal), methods development activities, and extension/education efforts. APHIS activities are supported by research and technology development conducted by several USDA agencies (USFS and ARS) and university scientists.

Analysis of Results: The performance indicator was met. The performance target was 9 ALB infestation sites in the eradication program. The overall goal of APHIS' eradication program is to eliminate the pest from the U.S. and prevent future ALB introductions without jeopardizing the \$80 billion trade market between the U.S. and China. Since its inception in FY 1997, the program has drastically reduced ALB populations in areas that had been heavily infested and the tree removal effort has made outstanding progress. The program expects to find additional infested trees that will require removal or treatment to destroy any pest life stages present. Replacement of removed trees -- at a cost of at least several hundred dollars per tree -- will help restore the environment and maintain public support for the program. Although the eradication program continues at an intensive pace, ALB detection and eradication is extremely difficult since these pests reside so deep in wood. To address this problem, USDA scientists and APHIS methods development personnel have been working with Chinese officials to develop better control methods and treatment techniques. Researchers are also exploring better detection and trapping tools. Until these tools are developed and perfected, inspectors will survey areas

by examining trees for exit or entry holes or frass (sawdust and other insect waste) at the base of trees. The difficulties in survey and detection have led APHIS to initiate - with other technical experts from the Forest Service and other entities outside of APHIS - a re-examination of import issues regarding solid wood packing materials (SWPM) from all parts of the world.

APHIS is very encouraged with the progress in the ALB program due to the low number of newly infested square miles detected in the year 2000. An increase of six new square miles and a total of 157 infested square miles are lower than expected. There were no new isolated outbreak areas. All new infested area is associated with currently identified outbreaks (within the 1½ mile delimiting survey area).

There was no ALB expansion in Illinois this year. This was unexpected as this was the first year that we collected data under new, more aggressive survey protocols. In previous years in Illinois, surveys were limited to within ½ mile of detection locations and often relied on visual survey from the ground. This year we were funded sufficiently to intensely survey the area within 1½ miles of detection sites using better visual methods -- tree climbers and bucket trucks. The results are very encouraging.

The ALB status in New York is not as complete. The size of the infested area is much greater and we were unable to survey according to protocols because of funding requirements and operational issues (contract development, lack of manpower and infrastructure). However, tree climbers and bucket trucks were extensively used in conjunction with ground inspection to survey within ½ mile of most detection locations. Two new areas were discovered: 1) lower east side Manhattan just across the river from Greenpoint in Brooklyn, site of the initial detection; and 2) Flushing Meadows Corona Park, an area centered between satellites outbreaks in Flushing/Bayside and the large outbreak in Brooklyn/Queens. Neither new area was unexpected and did not significantly expand the program.

In FY 2000, APHIS took several steps to bolster the ALB program including: 1) creation of a project director position; 2) enhanced communication, coordination, and staff support; 3) a greatly intensified and coordinated public awareness and outreach component; 4) development and implementation of an effective chemical treatment; 5) development of more aggressive operational guidelines for survey, regulatory, and control; 6) increased use of more effective survey methods like bucket trucks and tree climbers; and 7) significant increased funding (\$14 million from CCC, \$2.1 million appropriated in FY2000).

The performance goal indicator has changed for calendar 2001. Because the program believes this indicator will be a better measure of program effectiveness, the following performance indicator will be used:

"Total number of square miles infested with Asian Longhorned Beetle"

In calendar 2001, we project that we will find an additional 21 square miles of infested area. Sufficient resources are expected to be available to survey all areas according to new, more aggressive protocols using improved survey techniques exclusively. In addition, enhanced public awareness will be implemented. This will likely uncover a few previously undiscovered infested areas, and the reason for the expected increase in size. Severe winter weather, emergency funding uncertainties, lengthy tree inspections, and chemical treatment contract development and negotiation have impeded program progress, but goals for the year are still attainable.

Program Evaluation: In FY 2000, APHIS PPQ and cooperator program managers and scientists reviewed the current status of the ALB program. This group developed a long-term strategic plan to eradicate ALB from Illinois and New York within 10 years.

Objective 3.9 – Noxious Weeds – To detect and delimit incipient infestations of exotic weed species, and to support weed management initiatives for those species which may damage agriculture and native habitats.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Minimize the introduction and establishment of foreign weeds in the U.S. (Obj. 3.9)</u>			
New weed infestations detected/assessed through the National Early Warning System	12	20	See Appendix A

Objective 3.10 – Pink Bollworm – To prevent infestations in the San Joaquin Valley of California, and provide risk-based, area wide management of Pink Bollworm cooperatively with industry.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Minimize infestations of Pink Bollworm outside of regulated area (Obj. 3.10)</u>			
New infestations of pink bollworm outside the regulated area	0	2	2

2000 Data: Data for the pink bollworm program is collected by APHIS State Plant Health Directors and their corresponding State plant health regulatory officials. This program is a cooperative effort involving survey, regulatory, and control activities. Pheromone sex lure traps are placed over extensive cotton acreage. In the San Joaquin Valley, sterile pink bollworms are released to effectively eliminate reproduction. Cultural practices (crop rotation, stalk destruction, alternate planting dates, and irrigation restrictions) are also used to control the pest population. California enforces plow-down and planting regulations. APHIS enforces the national quarantine (surveys and regulatory activities) and manages the sterile moth rearing facility in Phoenix, Arizona, and the moth releases in the San Joaquin Valley, California.

Analysis of Results: The pink bollworm program met its 2000 target. The 2 new infestations of pink bollworm outside the regulated area occurred due to the late-season migration of hundreds of native moths into the San Joaquin Valley. The cooperative pink bollworm sterile release program continued to protect cotton in the San Joaquin Valley of California in FY 2000. The program trapped 154 native (non-sterile) moths, compared to 429 in FY 1999. APHIS produced approximately 867 million sterile moths at the Phoenix, Arizona, rearing facility for incremental releases in the San Joaquin Valley. The program continued to improve rearing efficiency and maintained production using less diet material, thereby reducing cost. In addition, program cooperators monitored over 13,200 traps in the San Joaquin Valley to detect any new introductions of pink bollworm. The releases of sterile moths prevent native moths, which migrate into the San Joaquin Valley from the South, from mating successfully. This prevents the pest from becoming established in nearly one million acres of high yielding cotton.

APHIS continued to work with collaborators and cooperators in universities, industry, and Agriculture Research Service to develop a biologically based pink bollworm management system.

Program Evaluations: The Pink Bollworm program met its 2000 target.

Objective 3.11 – Pseudorabies – To eradicate pseudorabies from the swine population of the U.S.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Eradicate Pseudorabies (Obj. 3.11)</u>			
States in stage V status	33	41	35

2000 Data: The staff member responsible for each program is also responsible for ensuring the reliability and accuracy of the data.

Analysis of Results: The pseudorabies program did not meet the goal of 41 states in stage V status. A large outbreak of pseudorabies in early FY 2000 in Iowa and Minnesota slowed progress there and affected other states. Weather conditions, poor hogs prices, and the related reduction in vaccination levels contributed to the problems.

Description of Actions and Schedules: As of January 1, 2001, four additional states had reached stage V status and VS expects to be near the target figure for 2001. In November 2000, the Secretary of Agriculture released \$56 million from emergency funds to be used to reimburse farmers who voluntarily destroyed swine herds known to be infected. APHIS continues surveillance efforts to identify new or unknown herds. The funds available will help to reduce the numbers of infected herds so that additional states can reach stage V.

Program Evaluations: There were no program evaluations completed in FY 2000.

Objective 3.12 – Scrapie – To control and ultimately eradicate scrapie from the U.S.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Eradicate Scrapie (Obj. 3.12)</u> Flocks advancing in the Voluntary Scrapie Flock Certification Program	377	400	534

2000 Data: The staff member responsible for each program is also responsible for ensuring the reliability and accuracy of the data.

Analysis of Results: The scrapie program met its 2000 target.

Current Year Performance: The scrapie program is expected to increase the number of certified free herds and meet the target for 2001. VS is planning an eradication program for scrapie. As the program shifts and data about the number of flocks certified free of scrapie is more accessible, the performance goal/indicator will shift to better reflect the change in the program and the data that is available.

Program Evaluations: There were no program evaluations completed in FY 2000.

Objective 3.13 – Tuberculosis – To eradicate tuberculosis from the bovine population of the U.S. by the year 2002.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Eradicate Tuberculosis (Obj. 3.13)</u> States (including Puerto Rico and Virgin Islands) in accredited free status	46	49	49

2000 Data: The staff member responsible for each program is also responsible for ensuring the reliability and accuracy of the data.

Analysis of Results: The tuberculosis program met its 2000 target.

Current Year Performance: The bovine tuberculosis program will meet the 2001 goal unless surveillance identifies new or reoccurring problems in states already free. In October 2000, New Mexico received class free status for tuberculosis. APHIS received additional emergency funds in late FY 2000 to help with the situations in the two non-free remaining states of Texas and Michigan. Texas has problems with tuberculosis in the El Paso milk shed area and may consider split state status. Michigan has a more complex problem with tuberculosis infecting the wild deer population in portions of the state.

Program Evaluations: There were no program evaluations completed in FY 2000.

Objective 3.14 – Witchweed – To eradicate Witchweed from the U.S. and to maintain survey activities to substantiate that eradication has been accomplished.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Reduce acres infested with witchweed</u> Acres infested with witchweed at end of season	5540	4900	5400

2000 Data: The witchweed eradication project is a cooperative effort involving APHIS, the North Carolina Department of Agriculture and Consumer Services, and the South Carolina Department of Plant Industry. In North Carolina, APHIS has transferred the responsibility for eradication to the State. APHIS continues to provide the financial and technological support to allow the State to complete the eradication of infested acres, conduct post-eradication surveys, and treat new infestations when detected. In South Carolina, APHIS is responsible for eradicating the remaining infested acres. APHIS will continue providing financial support to both States for surveys to verify eradication and treat new infestations found during these surveys. Surveys to provide information on the status of witchweed and regulatory activities associated with infestations assure that agricultural commodities in the United States are not restricted in the global marketplace.

Analysis of Results: The witchweed program did not meet its 2000 target. In FY 2000, State and Federal cooperative efforts continued moving the program toward eradication. As the program approaches total eradication, it becomes increasingly difficult to eradicate acres. By the end of the 2000 crop season, the original infestation was reduced from nearly 500,000 acres in 1958 down to 5,400 acres. The project's refined survey component has been so effective that some additional small fields have been

added back into the project's total acreage. However, there is still a net reduction in overall farms and acreage, with one additional county being eradicated in South Carolina.

Description of Actions and Schedules: With the elimination of witchweed from known infested sites in North Carolina and South Carolina, PPQ will continue the field surveys in both states and monitor the effectiveness or eradication to detect the last remaining witchweed plants to prevent their survival. Conversely, if witchweed were allowed to spread into the corn belt, it would cause an estimated 10-percent yield loss of the \$20 billion corn and sorghum crop in the United States and perhaps adversely affect the export of these crops from the U.S.

Program Evaluations: There were no program evaluations completed in FY 2000.

Strategic Goal 4: Ensure the humane care and treatment of animals covered under the Animal Welfare Act and the various laws protecting horses.

Objective 4.1 – Animal Welfare – To ensure high levels of compliance with the humane care and treatment standards for all warm-blooded animals covered by the Animal Welfare Act and used for research or exhibition purposes, sold as pets, or transported in commerce.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Increase the percentage of facilities in compliance (Obj. 4.1) Percentage of facilities in compliance	59%	60%	58%

2000 Data: The Animal Care compliance data come from Animal Care inspection reports completed by inspectors at the conclusion of each inspection. With a copy of the inspector's report provided to the facility, there is ample opportunity for inspectors and regulated entities to catch errors and correct them. At the end of the fiscal year data are extracted automatically from Animal Care's database. The resulting database output is combined and summarized for GPRA purposes by an independent analyst in Policy and Program Development (PPD) using microcomputer database and spreadsheet software. Animal Care GPRA compliance data are 90% complete. For FY 2000, compliance data were available for 7222 of the 8029 active facilities in the new LARIS 7 database. The remaining facilities were not completely inspected yet. Next year the data will be more complete.

The validity of Animal Care performance measures was ensured at the beginning of the development process by using a team of front line inspectors and input from stakeholder organizations. The percent of facilities in full compliance with all Animal Care regulations is an excellent overall measure because it is comprehensive. Even those facilities with minor problems that do not directly affect the welfare of the animals are counted as not in full compliance. Many of Animal Care's stakeholder organizations have been accustomed to seeing workload measures such as the number of various kinds of inspections performed. These are not being reported as GPRA results because they are not outcome oriented, but will continue to be monitored by the Animal Care Management Team and reported in other program publications, along with other measures of interest.

Analysis of Results: In past years Animal Care has been able to raise the level of facility compliance gradually. This year the level declined slightly and program failed to realize its target of 60%. The small gap of 2% may disappear next year when compliance data become available for all facilities. To be counted as being compliant for this measure, all a facility's sites have to be inspected and found in 100% compliance. If a facility is partially inspected and in compliance so far as is known, it is not counted in the numerator or denominator until all sites are inspected. However, if a facility is partially inspected and found to have a single noncompliance, it is counted as noncompliant immediately. This may have a temporary lowering effect on the results that will disappear once data for all facility sites are entered into the new computer system.

Description of Actions and Schedules: Although the overall trend in compliance was downward, one class of license, the Class A dealer (or breeder), was responsible; all other classes of license and registration showed increasing levels of compliance compared to the previous year. This may be explained, in part, by the increased enforcement effort placed on Class A dog dealers that commenced during FY 2000. As part of this oversight, aggressive inspection has been identifying and documenting more noncompliant items at these facilities. It is hoped that this increased surveillance will ultimately result in an overall increase in the level of compliance of these commercial dog dealers within the next several years.

Program Evaluations: Animal Care completed no formal program-wide evaluations during FY 2000. However, Animal Care Management examined a detailed breakdown of compliance frequencies and percentages for all regions and classes of facilities. A plot of compliance percentages over five years showed areas of improvement and decline that were useful in deciding where to focus inspection efforts.

Objective 4.2 – Horse Protection – To continue to strengthen association with the horse industry and Designated Qualified Person (DQP) programs through a cooperative working relationship and a comprehensive plan to achieve the elimination of the soring of horses.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Reduce the percentage of inspected horses that exhibit signs of soring on the forelegs (Obj. 4.2)			
Percentage of inspected horses that exhibit signs of soring on the forelegs	44%	42%	42%

2000 Data: The Horse Protection data are collected by APHIS Veterinary Medical Officers (VMOs) who inspect horses at horse shows to determine if they have been abused by the practice of soring. The data are recorded on forms and submitted to the program managers for entry into a microcomputer database. The field VMOs devoted to this task were involved in developing the reporting system. They are reporting their own professional judgments and have an incentive to see the data are accurately recorded. The data are not complex. Summary data are shared with them so they can see if there are errors. These data are 99% complete and accurate.

The data presented are an indirect measure of the level of soring of horses shown at horse shows around the country. A more direct measure of whether or not a horse is sore involves a physical exam of the horse by an APHIS VMO. While an exam will indicate if the horse is sore at the time, a negative result gives no assurance that the horse has not been sored in the past, especially in training. The appearance of scarring on the pasterns of horses is a good and reliable indicator of past abuse.

The data were collected only at shows attended by APHIS VMOs. The number of shows attended is approximately 10% of the number of known shows in the country.

Analysis of Results: The program achieved its target. The data shows a slight decrease in the incidence of soring from 44% in FY 1999 to 42% in FY 2000.

Program Evaluations: While no formal program evaluation was conducted during FY 2000, program managers did compare the percentage of winning horses that exhibited signs of soring to the percentage of horses inspected at random and found that winning horses are sored more frequently. This helps to explain the persistence of this cruel practice.

Strategic Goal 5: Develop and apply scientific methods that benefit agricultural producers and consumers, protect the health of American animal and plant resources, and sustain agricultural ecosystems.

Objective 5.1 – Wildlife Services Methods Development – To develop and transfer new, alternative methods and systems for wildlife damage management which are effective, biologically sound, and socially acceptable while improving current wildlife damage management methods and their availability.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Develop useful, appropriate methods (Obj. 5.1)</u> Number of new and improved wildlife damage management methods tested by the National Wildlife Research Center	18	18	18

2000 Data: APHIS' National Wildlife Research Center (NWRC) developed 18 new or improved methods that demonstrated both innovativeness and potential impact in resolving human/wildlife conflicts. The methods were reviewed by NWRC scientists, Wildlife Services' operational program professionals, stakeholders, and members of other research and development organizations and universities.

Analysis of Results: Overall, this performance goal was met. Many of the 18 methods focus on non lethal and/or integrated management strategies to minimize threats and conflicts to agriculture, industry, natural resources, and human health and safety that are caused by birds, mammals, and rodents.

Program Evaluations: For FY 2000 NWRC completed 5 mid-term or final project reviews that involved a panel of stakeholders, other research/development organizations and universities, NWRC personnel, and Wildlife Services' operational program personnel.

Objective 5.2 – Biotechnology/environmental protection – To facilitate the development of significant biotechnology-derived products that benefit agricultural producers and consumers. To achieve cost-effective compliance with environmental analysis and reporting requirements and to institutionalize a solid environmental ethic within agency programs.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Facilitate the development of non-threatening biotechnology derived products (Obj. 5.2)</u> New crop varieties genetically engineered	50	56	52

2000 Data: The cumulative number of new crop varieties genetically engineered and found safe for markets is 52. The process that APHIS uses to compile this performance measure relies on data collected and maintained in the PPQ Biotech Permits Database. The data used is the permit/notification information that the individual/entity provides at the time they submit their request. APHIS provides daily Internet updates on field testing and commercialization of new crop varieties. Companies, individual researchers, and others who use this information frequently access this information.

Analysis of Results: APHIS did not meet this performance goal because the program increased the number of comprehensive permits, which allow numerous requests -- up to hundreds -- on one permit. APHIS was able to encourage innovative research and assure appropriate regulatory oversight at the same time. Since the program's inception in 1987, APHIS has deregulated 52 genetically engineered crop varieties, with 2 new occurring in FY 2000. Corn is the highest genetically engineered application.

Description of Actions and Schedules: APHIS is reviewing its process for counting its comprehensive permits. Also, due to the heightened concern by the public over environmental and food safety of genetically engineered products, coupled with an expanding array of new products, APHIS is working with the Department and its stakeholders to assure that the scientific basis of APHIS' regulatory review remains current and accurate.

Program Evaluations: There were no program evaluations completed in FY 2000.

Objective 5.4: Plant Methods Development Laboratories – To develop and transfer biologically sound plant pest exclusion, detection, suppression, and control technologies and systems for APHIS and its stakeholders.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Develop useful, appropriate methods (Obj. 5.4) Percentage of new technologies transferred that have reduced established populations of invasive pests, or have improved efficiencies or effectiveness in excluding pests, detrimental to agriculture or plant ecosystems	N/A	60%	See Appendix A

Objective 5.5: Ensure that veterinary biologics are pure, safe, potent and effective

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Ensure that veterinary biologics are pure, safe, potent, and effective (Obj. 5.5) Licenses and permits issued annually after review, testing and inspection	139	140	122

2000 Data: APHIS reviewed, tested, and inspected 122 licenses and permits during 2000. The sources for the data are from the Veterinary Biologics Information System databases that record information on all serials processed through the Center for Veterinary Biologics. Targets were set after validating 1999 results and anticipating improvements in surveillance methods.

Analysis of Results: APHIS did not meet the goal of 140 licenses and permits issued because the Center for Veterinary Biologics (CVB) has had to maintain at least a 10% vacancy rate in Fiscal Year 2000 in order to stay within budget. These vacancies have created a situation where the number of submissions processed (licenses and permits issued) has decreased while the backlog of submissions has increased. The impact of these declining budgets and staffing levels have had a real impact on the number and quality of submissions.

Description of Actions and Schedules: The Center for Veterinary Biologics (CVB) conducts product inspections, facilities inspections and sets standards concerning the manufacturing and testing of these products. While testing is an incentive for industry to produce acceptable products, it is only one method used to identify serials that should not be marketed. Limited current and anticipated resources do not permit greatly increased numbers of serials tested by CVB. For these reasons, APHIS will report on a revised measure in the future. Currently CVB has increased selected testing, facilities inspections, and test summary reviews to identify and target problem products and firms. The ultimate goal, as found in the Virus-Serum-Toxin Act of 1913, is to reduce the number of "worthless, contaminated, dangerous, or harmful serials" released to the market to zero through increased testing and inspection, and improved standards. So the new measure will focus on the percentage of product serials withheld from the market, determined by the required testing and manufacturing guidelines to be worthless, contaminated, dangerous or harmful. Finding more unacceptable serials is the intermediate measurable goal.

Current Year Performance: APHIS anticipates it will achieve the established target in 2001.

Program Evaluations: There were no program evaluations completed in FY 2000.

Management Initiatives

Management Initiative 1 – Improve results and service – APHIS will achieve results that our customers and stakeholders need while providing the service they expect.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
<u>Improve results and service</u> Percentage of APHIS employees operating from standard hardware/software platform	90%	95%	See Appendix A
<u>All APHIS programs and activities are delivered in a manner which is free from discrimination</u> Level of outreach increased Reduction in percent of complaints or allegations of discrimination in program delivery by customers and service beneficiaries	50%		See Appendix A See Appendix A
<u>APHIS employees and applicants are valued for their diversity and afforded equal opportunity in all aspects of employment such as recruitment, hiring, promotion, career development and awards</u> Progress made toward decreasing under representation	1%		See Appendix A
Number of employment discrimination complaints by employees and applicants are reduced	55%		See Appendix A
<u>APHIS employees and managers are responsible for working together to resolve the problems at the lowest level of the organization which minimizes the need for formal resolution</u> Number of employees using informal options prior to filing formal complaints			See Appendix A

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Percentage of employees receiving mandatory civil rights training	100%	100%	100%

2000 Data: 6,193 permanent full time APHIS employees completed civil rights training.

Analysis of Results: In order to ensure that all employees receive the mandatory civil rights training, the *USDA Special Emphasis Programs – Self Study Guide* was mailed to all employees and also posted to the APHIS intranet. In addition, Cultural Diversity training was provided to all employees by providing access through America Media Institute to a web-based on-line training course, and a video course was also provided.

Program Evaluations: Monitoring of this program was done using self-certification.

Management Initiative 2 – Improve program efficiency.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Increase the ratio of supervisors to employees to direct a higher percentage of Agency resources to service delivery	1:8		See Appendix A
Reduce the number of APHIS regional locations to maximize efficiencies and cross-utilization of resources	7		See Appendix A

Management Initiative 3 – Stewardship

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Percentage of eligible delinquent debt sent to Treasury for administrative offset and debt management cross servicing	N/A	N/A	N/A
Convert to FFIS system by FY 2001	N/A	Completed	Completed

2000 Data: The FFIS system was officially converted on October 1, 2000.

Analysis of Results: The system is currently up and running. However, for FY 2001, the Department has decided to integrate five NFC feeder systems into FFIS. The feeder systems are TELE (Telephone), UTVN (Utilities), FEDS (Fedstrip), FTSP (Federal Telecommunication System), and MPOL (Motor Pool). Integrating these systems means that the Department will eliminate the feeder systems and agencies will instead directly enter data into FFIS.

Program Evaluations: This feeder integration will be the primary project related to FFIS that APHIS will work on in FY 2001. In addition, we will continue to refine how we've configured FFIS, as well as learn how to operate under this new system. Program managers in Marketing and Regulatory Programs' Business Services are responsible for assessing the system and planning changes as needed.

Animal and Plant Health Inspection Service Appendix A

- Discontinued Performance Measures -

Goal 1: Safeguard U.S. plant and animal resources against introductions of foreign pests and diseases, while meeting international trade obligations.

Objective 1.1: Agricultural Quarantine Inspection - To maintain the risk of introduction of invasive species in the U.S. at acceptable levels to protect American agricultural resources, maintain marketability of agricultural products, and facilitate the movement of people and commodities across the borders.

Minimize the risk of invasive species introduced into the U.S.

- Approach rates at U.S. borders for
 - International air travelers
 - Border vehicles
 - Cargo: Sea (refrigerated)
 - Sea (non-refrigerated)
 - Air

Explanation: APHIS determined that these indicators did not prove to be useful in measuring overall program effectiveness.

Objective 1.8: Invasive Species (prevention) - To enhance APHIS' ability to perform its mission as it relates to preventing the introduction of invasive species in support of Presidential Executive Order 13112 and the National Plant Board's recommendations from their review of APHIS' Pest Safeguarding System.

Enhance APHIS' ability to perform its mission as it relates to preventing the introduction of invasive species in support of Presidential Executive Order 13112 and the National Plant Board's recommendations from their review of APHIS' Pest Safeguarding System

- New Pathway risk analyses completed
- New invasive species pathways determined

Explanation: The Invasive Species programs to provide these activities were not funded by Congress. Other continuing plant pest detection activities are reported under Strategic Goal 2.

Goal 2: Minimize agricultural production losses and export market disruptions by quickly detecting and responding to new invasive agricultural pests and diseases or other emerging agricultural health situations.

Objective 2.5: Invasive Species (survey) - To enhance APHIS' ability to perform its mission as it relates to the surveillance and detection of invasive species in support of Presidential Executive Order 13112 and the National Plant Board's recommendations from their review of APHIS' Pest Safeguarding System.

Enhance APHIS' ability to perform its mission as it relates to the surveillance and detection of invasive species in support of Presidential Executive Order 13112 and the National Plant Board's recommendations from their review of APHIS' Pest Safeguarding System.

- New agreements to detect invasive species
- Detections made as a result of these agreements

Explanation: The Invasive Species programs to provide these activities were not funded by Congress. Other continuing plant pest detection activities are reported under Strategic Goal 2.

Animal and Plant Health Inspection Service Appendix A

- Discontinued Performance Measures -

Goal 3: Minimize risks to agricultural production, natural resources, and human health and safety by effectively managing existing agricultural pests and diseases and wildlife damage in the U.S.

Objective 3.9: Noxious Weeds - To detect and delimit incipient infestations of exotic weed species, and to support weed management initiatives for those species that may damage agriculture and native habitats.

Minimize the introductions and establishment of foreign weeds in the U.S.

New weed infestations detected/assessed through the National Early Warning System

Explanation: This performance measure, while still of interest internally, does not accurately reflect the outcomes of the program because it is a multi-departmental initiative (jointly conducted by USDA, USDOL, and the state governments) and is still in its developmental stages.

Goal 5: Develop and apply scientific methods that benefit agricultural producers and consumers, protect the health of American animal and plant resources, and sustain agricultural ecosystems.

Objective 5.4: Plant Methods Development Laboratories - To develop and transfer biologically sound plant pest exclusion, detection, suppression, and control technologies and systems for APHIS and its stakeholders.

Develop useful, appropriate methods

Percentage of new technologies transferred that have reduced established populations of invasive pests, or have improved efficiencies or effectiveness in excluding pests, detrimental to agriculture or plant ecosystems.

Explanation: APHIS analysis concluded that these indicators do not prove to be useful in measuring overall program effectiveness because good data are not available.

Management Initiative #1

Improve results and service

Percentage of APHIS employees operating from standard hardware/software platform

All APHIS programs and activities are delivered in a manner which is free from discrimination

Level of outreach increased

Reduction in percent of complaints or allegations of discrimination in program delivery by customers and service beneficiaries

APHIS employees and applicants are valued for their diversity and afforded equal opportunity in all aspects of employment such as recruitment, hiring, promotion, career development and awards

Progress made toward decreasing under representation

Number of employment discrimination complaints by employees and applicants are reduced

APHIS employees and managers are responsible for working together to resolve the problems at the lowest level of the organization which minimizes the need for formal resolution

Number of employees using informal options prior to filing formal complaints

Animal and Plant Health Inspection Service Appendix A

- Discontinued Performance Measures -

Management Initiative #2

Improve program efficiency

Increase the ratio of supervisors to employees to direct a higher percentage of Agency resources to service delivery

Reduce the number of APHIS regional locations to maximize efficiencies and cross-utilization of resources

Explanation of discontinued measures for management initiatives: These performance measures have been discontinued. The performance goals/indicators did not accurately represent the progress made in improving results and services. Current strategic planning initiatives along with the implementation of new procedure have made it difficult to compare and analyze the data around the 1999 measures with the data collected in 2000. However, in the area of Civil Rights, related measures are reported directly to the Department through the Civil Rights Accomplishments Report. Similar reporting processes to the Department apply in the areas of Information Technology and Stewardship. These measures are currently being reviewed to determine which ones may more accurately represent APHIS' progress in this area. APHIS continues to report out on mandatory training in the areas of Civil Rights policy.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The Grain Inspection, Packers and Stockyards Administration (GIPSA) was established in October 1994 as part of the U.S. Department of Agriculture reorganization. The mission of the Agency is to facilitate the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products and promote fair and competitive trading practices for the overall benefit of consumers and American agriculture. GIPSA is composed of two major programs: (1) Packers and Stockyards Programs and (2) Grain Program.

More information regarding GIPSA's programs can be found in the GIPSA Strategic Plan and Annual Performance plans. Only federal employees were involved in the preparation of this report. The GIPSA website address is: <http://www.usda.gov/gipsa>

The following table provides summary information on GIPSA's achievement of FY 2000 Performance Goals.

GIPSA PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals/ Indicators	Performance		
		FY 1999 Actual	FY 2000 Target	FY 2000 Actual
Goal 1: Ensure a fair, open and competitive marketing environment for livestock, meat, and poultry.	Promote a fair, open, and competitive marketing environment for livestock, meat, and poultry: Investigations (#). Violations corrected/issues resolved within 1 year of investigation's starting date (%). Monetary recovery to livestock producers and poultry growers resulting from enforcement of the Packers and Stockyards Act (\$Mil).	1,218 98% \$12.6	1,800 93% \$25.0	1,898 96% \$17.1
Goal 2: Facilitate the marketing of U.S. grain for the benefit of American agriculture.	Increase the efficiency of US grain marketing: Percentage of critical grain quality measurement methods evaluated for improvement (%). Number of new or improved grain quality measurement methods implemented (#).	94% 49	100% 12	107% 18
	Provide a standardized framework for the U.S. grain trade: Statistical accuracy of original inspection results (%). Standards under review (#).	95% 3	93% 3	96% 3
	Provide cost effective and responsive official grain inspection and weighing services: Cost (\$) of official grain inspection and weighing service per metric ton using constant 1992 dollars indexed on the Gross Domestic Product. Cost (\$) of official rice inspection and weighing service per metric ton using constant 1992 dollars indexed on the Gross Domestic Product. Satisfied customers (%).	\$0.22 \$0.90 N/A	\$0.24 \$0.87 88.5%	\$0.23 \$0.91 88.5%
	Protect the integrity of U.S. grain marketing: Statistical accuracy of Official Agency inspection results (%). Complaints and violation reports investigated (#). Trade issues resolved (#).	95% 43 10	94% 50 8	95% 32 9
M1 1: Maintain a work environment that supports cultural diversity, civil rights, and continuous improvement.	Implementation of workforce plan action items (%).	--	15%	15%
M1 2: Ensure prudent financial management throughout the Agency.	Number of deficiencies and/or nonconformances.	0	0	0

Goal 1: Ensure a fair, open and competitive marketing environment for livestock, meat, and poultry.

Objectives: 1.1 - Monitor, investigate, and analyze the livestock, meat, and poultry industries to determine if firms are engaging in any practice with the intent, or with the effect, of limiting or restricting competition. Initiate appropriate corrective action when there is evidence of anti-competitive practices in violation of the Packers and Stockyards Act.

1.2 – Monitor, investigate, and analyze the livestock, meat, and poultry industries to determine if firms are engaging in unfair, deceptive, or unjustly discriminatory trade practices in the livestock, meat, and poultry industries. Initiate appropriate corrective action when there is evidence of trade practices in violation of the Packers and Stockyards Act.

1.3- Monitor, investigate, and analyze the livestock, meat, and poultry industries to determine if firms are failing to provide financial protection to livestock and poultry producers by ensuring subject firms and individuals comply with the payment, custodial, trust, bonding, and financial provisions of the Packers and Stockyards Act. Initiate appropriate corrective action when there is evidence of financial practices in violation of the Packers and Stockyards Act.

Key Performance Goals

Promote a fair, open, and competitive marketing environment for livestock, meat, and poultry:

Investigations (#).

Target: 1,800

Actual: 1,898

Violations corrected/issues resolved within 1 year of investigation's starting date (%).

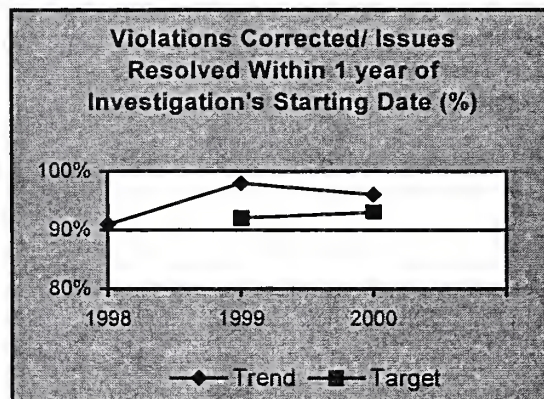
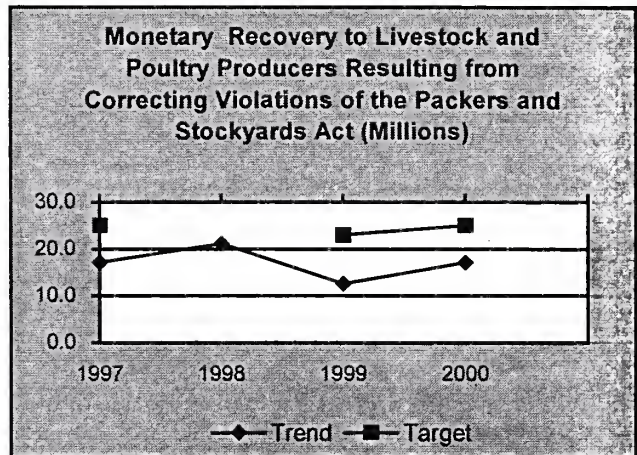
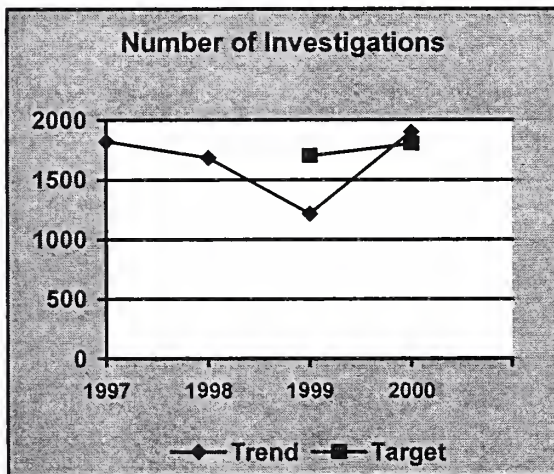
Target: 93%

Actual: 96%

Monetary recovery to livestock and poultry producers resulting from correcting violations of the Packers and Stockyards Act (Millions).

Target: \$25.0

Actual: \$17.1



2000 Data: Internal Agency procedures are used to measure the number of investigations, the percent of violations corrected/issues resolved within 1 year of the investigation's starting date, and the dollar value returned to producers resulting from correcting violations of the Packers and Stockyards Act. This on-going tracking process begins when an investigation is opened by a regional office and concludes when the investigation is closed. Guidelines designed to promote uniform recording of this information into an electronic investigation/complaint log have been developed. Each quarter the information recorded in the complaint/investigation log maintained in each regional office is compiled and reviewed. The review includes selection of a representative sample of the investigations for verification and validation with the investigator directly involved in the investigation. The quarterly review promotes consistency and accuracy in reporting the results of investigations.

Analysis of Results: Two of the three performance indicators of Goal 1 were met in FY 2000. The initiation of 1,898 investigations exceeded the target of 1,800. The completion within 1 year of 96% of the investigations closed during the fiscal year exceeded the target of 93%. GIPSA's target was \$25 million in monetary recoveries to livestock and poultry producers. Though actual recoveries were "only" \$17.1 million, this is actually a positive situation. This amount of recovery was considerably less than estimated, due largely to a robust economy in FY 2000, which also resulted in fewer financial failures in the livestock marketing sector.

Descriptions of Actions and Schedules: In FY 2000, GIPSA continued to hire new employees to expand the Packers and Stockyards Programs' economic, legal, and computer expertise to address industry structure and competition issues. The Agency completed most of this hiring initiative by the beginning of FY 2001. As the recently hired employees gain experience, GIPSA expects continuing improvement of its regulatory program, especially in the areas of unfair and anticompetitive practices. GIPSA anticipates meeting its program goal and associated indicators for this program in FY 2001 and beyond.

Current Fiscal Year Performance: Increased staffing has enabled GIPSA to meet target levels in two of the three performance indicators this year. Performance indicators remain the same for the current fiscal year. The wording of the third indicator, related to monetary recovery, was modified to more clearly describe the performance measurement.

Program Evaluations: Quarterly program performance evaluations are planned for FY 2001.

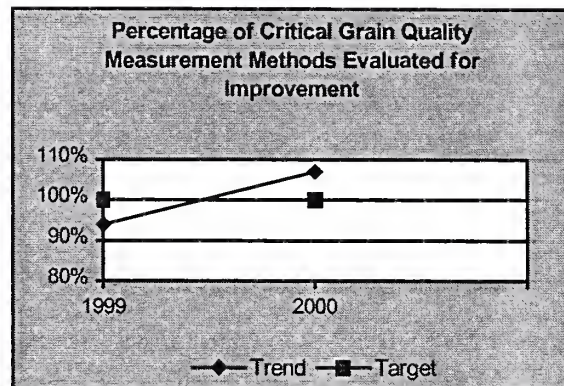
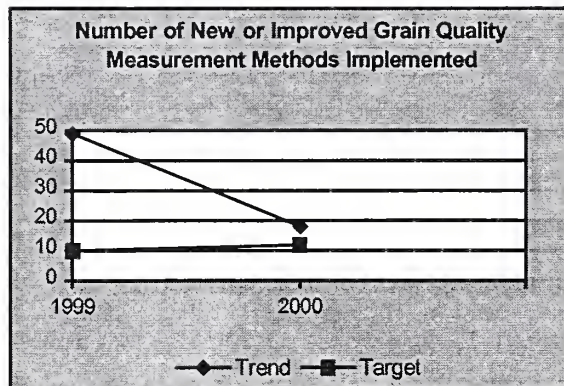
Goal 2: Facilitate the marketing of U.S. grain for the benefit of American agriculture.

Objective 2.1: Increase the efficiency of U.S. grain marketing.

Key Performance Goals

Increase the efficiency of US grain marketing:				
Percentage of planned evaluations of critical grain quality measurement methods.				
Target: 100%				
Actual: 107%				
Number of new or improved grain quality measurement methods implemented.				
Target: 12				
Actual: 18				

Year	Number of Completed Evaluations	Number of Planned Evaluations	Percentage of Critical Grain Quality Measurement Methods Evaluated for Improvement	Target
1999	29	31	94	100
2000	31	29	107	100



2000 Data: Internal Agency procedures are used to track method evaluations which are completed and the number of new and/or improved methods or tests. At the start of each fiscal year, the Agency's Technical Services Division (TSD) establishes a prioritized list of those methods which, in its assessment, need to be evaluated. Throughout the year, TSD tracks whether the listed methods have been evaluated and calculates the percentage of planned evaluations which have been completed.

TSD and the Agency's Policies and Procedures Branch (PPB) are responsible for tracking new and/or improved methods or tests. Throughout the fiscal year, TSD keeps a running list of new methods and tests introduced by GIPSA or those methods and tests which GIPSA has improved. At the end of the fiscal year, TSD shares the list with PPB for review, and by working together, TSD and PPB agree to a final list of new and/or improved methods or tests. Shortly after the start of the new fiscal year, TSD and PPB submit the validated list to the Office of the Deputy Administrator for the Grain Program. Existing documentation within the Agency validates and verifies that action items were completed.

Analysis of Results: The performance goal was exceeded. Beginning in FY 2001, the wording pertaining to the annual performance goal and corresponding indicator, as shown in the FY 1999 Annual Program Performance Report, was changed somewhat to provide for a more meaningful description, and better reflect what is actually being tracked.

The Agency's Technical Services Division has developed a prioritized list of methods which, in its assessment, need to be evaluated. Even though the Agency exceeded its target for the number of new and/or improved methods or tests, it is also re-evaluating its target for FY 2001, and beyond, in an attempt to continue to bring projections and actual levels of performance more in line.

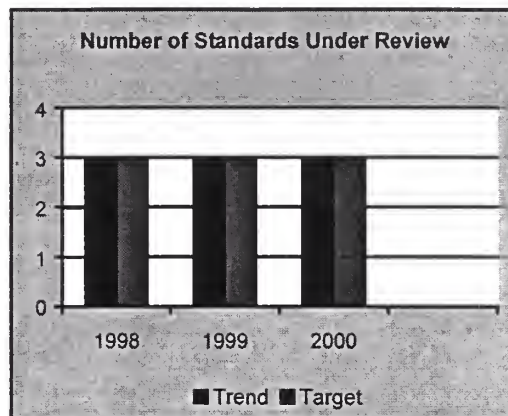
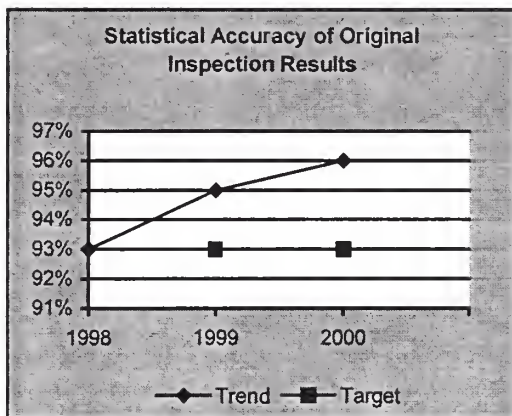
Current Fiscal Year Performance: As mentioned above, the Agency is reevaluating targeted levels of performance for FY 2001 and beyond based on actual levels of performance in FY 1999 and 2000. The Agency anticipates completing this re-evaluation in March 2001. At that time, the Agency will be in a better position to determine whether adjustments are needed in targeted levels of performance.

Program Evaluations: Other than internally tracking method evaluations which are completed and the number of new and/or improved methods or tests, GIPSA did not conduct any program evaluations.

Objective 2.2: Provide a standardized framework for the U.S. grain trade.

Key Performance Goals

Provide a standardized framework for the U.S. grain trade:	
Statistical accuracy of original inspection results (%).	
Target:	93%
Actual:	96%
Standards under review (#).	
Target:	3
Actual:	3



2000 Data: The Agency's inspection result accuracy is determined by statistically selecting samples from a random number generator program. Records of the random numbers are maintained along with the records of the samples inspected. This allows GIPSA to audit these records to ensure that all selected samples are monitored.

Each year in the Agency's Annual Report to Congress, the Agency's Policies and Procedures Branch reports on activities related to the grading standards. The information provided in the report is used to determine how many grading standards were reviewed during the previous fiscal year.

Analysis of Results: The performance goal was met. GIPSA met its target of reviewing 3 standards in FY 2000. The Agency's actual level of performance, 96% for the statistical accuracy of original inspection, exceeded its target of 93% for FY 2000.

Current Fiscal Year Performance: Since GIPSA successfully met or exceeded its targeted levels of performance in FY 2000, the Agency anticipates meeting its targeted levels of performance for FY 2001 as given in its performance plan for FY 2001.

Program Evaluations: Other than determining its actual level of performance for the two performance indicators under this performance goal, GIPSA did not conduct any additional program evaluations.

Objective 2.3: Provide all segments of American agriculture with cost-effective and responsive official grain inspection and weighing services.

Key Performance Goals

Provide cost effective and responsive official grain inspection and weighing services:

Cost (\$) of official grain inspection and weighing service per metric ton using constant 1992 dollars indexed on the Gross Domestic Product.

Target: \$0.24

Actual: \$0.23

Cost (\$) of official rice inspection and weighing service per metric ton using constant 1992 dollars indexed on the Gross Domestic Product.

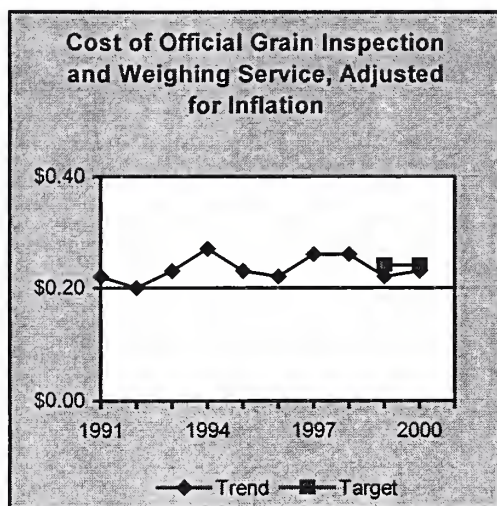
Target: \$0.87

Actual: \$0.91

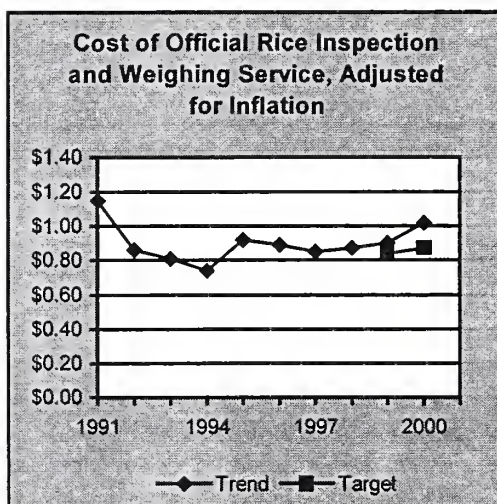
Satisfied customers (%)

Target: 88.5%

Actual: 88.5%



Year	Account Expense (000)(\$)	Million Metric Ton Inspected	FY Deflator	Cost of Official Grain I & W Adjusted for Inflation (\$ per Metric Ton)	Target (\$ per Metric Ton)
1991	\$19,160	91.4	.972	\$0.22	
1992	\$18,814	92.1	1.0	\$0.20	
1993	\$21,632	92.4	1.027	\$0.23	
1994	\$21,415	76.7	1.051	\$0.27	
1995	\$24,015	97.1	1.077	\$0.23	
1996	\$23,285	94.4	1.098	\$0.22	
1997	\$22,972	79.0	1.118	\$0.26	
1998	\$23,021	77.2	1.132	\$0.26	
1999	\$22,866	91.2	1.144	\$0.22	\$0.24
2000	\$24,146	90.9	1.161	\$0.23	\$0.24



Year	Account Expense (000)(\$)	Million Metric Ton Inspected	FY Deflator	Cost of Official Rice I & W Service, Adjusted for Inflation (\$ per Metric Ton)	Target (\$ per Metric Ton)
1991	\$3,473	3.1	.972	\$1.15	
1992	\$3,347	3.9	1.0	\$0.86	
1993	\$3,848	4.6	1.027	\$0.81	
1994	\$4,022	5.2	1.051	\$0.74	
1995	\$4,275	4.3	1.077	\$0.92	
1996	\$3,715	3.8	1.098	\$0.89	
1997	\$3,343	3.5	1.118	\$0.85	
1998	\$3,821	3.9	1.132	\$0.87	
1999	\$4,106	4.0	1.144	\$0.90	\$0.84
2000	\$4,035	3.8	1.161	\$0.91	\$0.87

2000 Data: The per metric tons cost of the official grain and rice inspection and weighing services are calculated annually, using constant 1992 dollars indexed on the Gross Domestic Product. Inspection volume data are reported in the Agency's Grain Inspection and Weighing Information System and Export Grain Information System (for grain) and the Agricultural Marketing Act Output Report (for rice). Inspection volume data originate at the Agency's inspection sites, are reported on official inspection and weighing certificates, and are downloaded into these systems. The validity of the data, therefore, can be traced to the official inspection and weighing certificates and the related work records.

GIPSA relies upon the National Finance Center's (NFC) Central Accounting System and the Marketing and Regulatory Program Area's Washington Financial Services Branch (WFSB) for its financial data. WFSB obtains monthly financial data from NFC, and, in turn, WFSB prepares monthly financial statements for GIPSA. Each GIPSA manager is responsible for reviewing his/her work units' monthly financial statement. If a manager questions any of the financial data, it is incumbent upon that manager to contact the Agency's Executive Resources Staff (ERS). In turn, ERS contacts WFSB which is responsible for contacting NFC to make any necessary corrections. Because of the "checks" built into the system, GIPSA is confident in the year-end expense figures for the grain and rice inspection and weighing accounts that are used in the calculation of the cost per metric ton performance indicators.

Analysis of Results: Overall, the performance goal was met, because the targeted level of performance for the most significant (as indicated by revenues) performance indicator under the performance goal was exceeded. For the performance indicator, "cost of official grain inspection and weighing service per metric ton using constant 1992 dollars indexed on the Gross Domestic Product," GIPSA's actual level of performance, \$0.23, exceeded its targeted level of performance of \$0.24.

For the performance indicator, "cost of official rice inspection and weighing service per metric ton using constant 1992 dollars indexed on the Gross Domestic Product," GIPSA's actual level of performance, \$0.91, did not meet its targeted level of performance of \$0.87. This occurred because export tonnage and the number of rice inspections were greater than projected. Although the Agency was able to maintain some costs at the FY 1999 level, overtime, travel, and other costs increased during FY 2000.

A customer service survey was conducted from August through October 2000. The results, just completed in February 2001, indicated a customer satisfaction rate of 88.5%.

Descriptions of Actions and Schedules: It is important to note that based on evaluation of the rice account, GIPSA revised its targeted level of performance from \$0.84 to \$0.87 per metric ton as adjusted for inflation. The revised figures appeared in the Agency's Annual Performance Plans for FY 2000 and 2001. The Agency will continue to carefully monitor the rice account, paying special attention to revenue, cost, and workload data. The intent of this analysis is to identify program areas where efficiency could be improved. Based upon this analysis, GIPSA will determine if further modification to the current program and performance indicator is necessary.

Current Fiscal Year Performance: Based upon GIPSA's analysis of the rice program, the Agency will consider whether modification to the current program and performance indicator is necessary.

Program Evaluations: During FY 2001 and on an on-going basis, GIPSA program managers, and staff specialists familiar with the rice program, will continue to carefully analyze all rice account revenue, cost, and workload data. No other evaluations were conducted.

Objective 2.4: Protect the integrity of U.S. grain marketing by regulating grain weighing and handling practices, and regulating the providers of official grain inspection and weighing services.

Key Performance Goals

Protect the integrity of U.S. grain marketing:

Official Agency compliance with designation criteria (%).

Target: 100%

Actual: 100%

Statistical accuracy of Official Agency inspection results (%).

Target: 94%

Actual: 95%

Complaints and violation reports investigated (#).

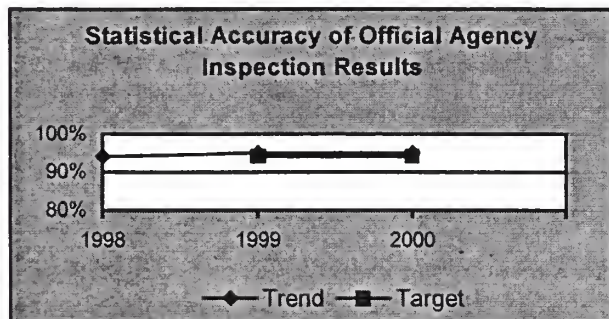
Target: 50

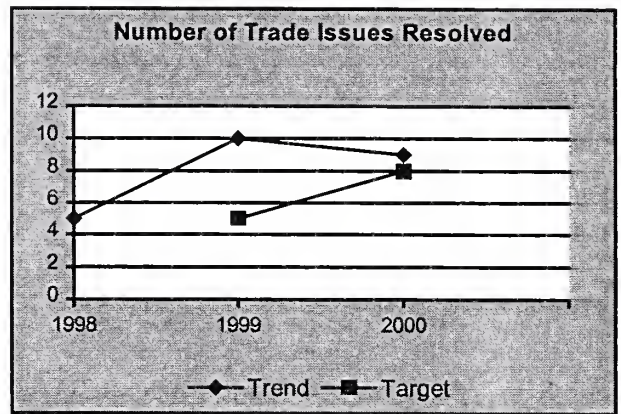
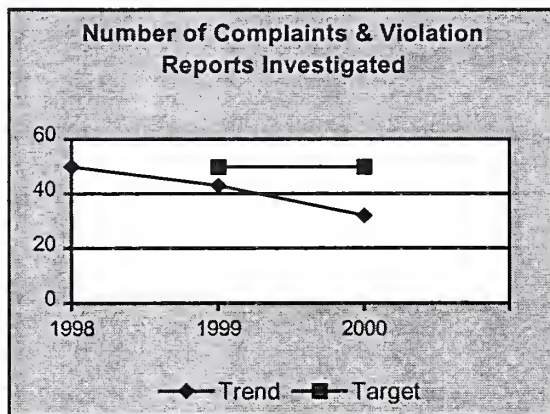
Actual: 32

Trade issues resolved (#).

Target: 8

Actual: 9





2000 Data: Official Agencies are designated for up to 3 years. During this time period, these agencies receive at least one operational review to verify that they are meeting all the designation criteria. In addition to providing accurate inspection services, the official agencies must meet all the criteria cited in the U.S. Grain Standards Act. If they do not meet this criteria, their designation is not renewed. GIPSA prepares written performance reports of the Agencies' operations, and electronically monitors the actions initiated by the Agencies to address all needed corrections.

The Official Agencies' inspection accuracy is determined, in large part, by statistically selecting samples from a random number generator program. Selections are made only after the original results have been provided to producers or marketers. Records of the random number are maintained along with the records of the samples inspected. This allows GIPSA to audit these records to ensure that all selected samples are monitored. Completion of the original inspection results database will allow GIPSA to perform this operation electronically rather than manually. This should also enhance the verification and validation process.

All reported violations of the U.S. Grain Standards Act, as well as complaints, are investigated thoroughly, including conducting on-site evaluations, if appropriate. All complaints and reported violations are logged in, and the progress of the actions taken are electronically monitored until each situation is resolved. Upon resolution, the complainants are advised of the actions taken by GIPSA.

The Agency's Office of International Affairs (OIA) keeps track of all trade issues in which it has involvement via a simple database. Throughout the year, (OIA) tracks whether issues have been resolved and shares this information with the Office of the Administrator.

Analysis of Results: The performance goal was met. The Agency exceeded its targeted levels of performance for the performance indicators, "statistical accuracy of Official Agency inspection results (95%)," "complaints and violation reports investigated (32)," and "trade issues resolved (3)." The "complaints and violation reports investigated" indicator is favorable because conditions were such in the economy and industry that complaints and subsequent violations actually decreased.

Current Fiscal Year Performance: Since GIPSA successfully met or exceeded its targeted levels of performance in FY 2000, the Agency anticipates meeting its targeted levels of performance for FY 2001 as given in its performance plan for FY 2001.

Program Evaluations: No program evaluations were conducted.

Management Initiative 1: Maintain a work environment that supports cultural diversity, civil rights, and continuous improvement.

Baseline: In Fiscal Year 1999, GIPSA conducted a detailed workforce analysis resulting in a workforce plan for Fiscal Years 1999-2004. The plan includes workforce goals, strategies, and action items for the Agency which may be reflected in future iterations of the Agency's strategic and annual performance plans.

PERFORMANCE GOALS AND INDICATORS	FY 1999 Actual	FY 2000 Target	FY 2000 Actual
Implementation of workforce plan action items (%).	--	15%	15%

Discussion of Annual Performance Goals: Meeting the target of this annual performance indicator helps support the achievement of USDA Management Initiative 1, to ensure that all customers and employees are treated fairly and equitably, and with dignity and respect. This initiative is consistent with the Department's civil rights and workforce planning policies, and provides a comprehensive management process to develop a working environment where all employees are supported to their full potential.

Means and Strategies: GIPSA's workforce plan includes a list of action items, responsible parties, and targeted completion dates. In FY 2000, the Agency's Office of the Administrator began reviewing each division's and staff's quarterly progress in achieving those action items for which it is responsible. In FY 2001, the Agency began reviewing its 5-year workforce plan, and is attempting to develop better measures to quantify overall progress in this area. As a result, the Agency is discontinuing the current output-based performance measure, "implementation of workforce plan action items (%)," as shown above.

Verification and Validation: The Office of the Administrator will be involved in monitoring any newly developed goals and indicators. This will be accomplished as part of the Agency's established quarterly updating process. Each division director and staff head submits to the office of the Administrator a quarterly update of his/her work unit's progress in achieving program initiatives. As part of this process, each division director and staff head will also report on his/her work unit's progress in achieving the action items as given in the workforce plan and for which the unit is responsible. The Office of the Administrator will keep track of all action items via a simple database. Each division director and staff head will also be asked to report upon his/her work unit's progress as part of his/her annual performance evaluation.

Management Initiative 2: Ensure prudent financial management throughout the Agency.

Key Performance Goals

<u>Number of deficiencies and/or nonconformances.</u>	
Target:	0
Actual:	0

2000 Data: It is the GIPSA management team's responsibility to identify any material weaknesses in the Agency's program or nonconformance in GIPSA's financial management systems. Should deficiencies and/or system nonconformance be identified during the course of review, audits, or evaluations, GIPSA includes in its annual report to the Secretary of Agriculture, in accordance with the Federal Managers' Financial Integrity Act (FMFIA), such findings, a corrective action plan for resolving the identified areas, and the progress the Agency has made towards resolving such deficiencies and/or nonconformances or any significant previously identified problem areas.

Analysis of Results: The performance goal was met. GIPSA identified no deficiencies and system nonconformances, as indicated in the FY 2000 FMFIA report.

Current Fiscal Year Performance: Since GIPSA successfully met its targeted level of performance in FY 2000, the Agency anticipates meeting its targeted level of performance for FY 2001 as given in its performance plan for FY 2001.

Program Evaluations: In accordance with the FMFIA, GIPSA has established internal accounting and administrative controls in the Agency's programs and financial management system according to procedures and standards prescribed by the Comptroller General and annually reports to the Secretary on the condition of the Agency's internal controls. More specifically, GIPSA reviews its programs and financial management systems to ensure that: controls and security measures are adequate, clientele information collected and generated is managed properly; and financial management systems comply with management, financial, accounting, budget, and information resources management standards.

U.S. Department
of Agriculture

Forest Service

March 2001

USDA Forest Service FY 2000 Annual Performance Report



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About This Document

This document presents the U.S. Department of Agriculture (USDA) Forest Service Annual Performance Report for fiscal year (FY) 2000. It is the second Annual Performance Report that the Forest Service has presented to the Congress and the public as required by the Government Performance and Results Act of 1993. Only Federal employees were involved in the preparation of this report.

This report presents accomplishments for all of the performance goals and targets set forth in the FY 2000/2001 Annual Performance Plan. The Annual Performance Plan for FY 2000/2001 was organized according to the Forest Service's 1997 Strategic Plan. Although the agency revised its strategic plan during FY 2000, this document is still organized according to the 1997 Strategic Plan structure. However, it also provides references to the new structure of strategic goals and objectives from the USDA Forest Service Strategic Plan (2000 Revision). A crosswalk is presented in appendix C to show the linkages between the structure of the 1997 Strategic Plan and the 2000 Revision and to show how these relate to the USDA Strategic Plan.

Executive Summary

For more than a century, the U.S. Department of Agriculture (USDA) Forest Service has served as a national and world leader in the management, protection, and use of forest, rangeland, and aquatic ecosystems. Despite grave challenges, fiscal year (FY) 2000 was no exception. With dozens of major wildfires burning in several States last summer, the agency mobilized to the full extent of its fire-fighting capacity and redeployed staff from other programs to support the fire-fighting effort. Because program staffs were short-handed for several months during the height of the fire season, it was difficult or impossible for them to perform many of their planned project activities related to the agency's performance measurements.

Nonetheless, the Forest Service achieved or exceeded 42 percent of its performance targets in FY 2000. With some indicators such as noxious weed treatment and lake habitat treatment, the agency substantially exceeded its performance targets. The Forest Service treated 121,946 acres of noxious weeds, 117 percent more than planned. Over 17,140 acres of lake habitat were treated to improve forest, rangeland, and lake habitat for wildlife and fish species. State and Private Forestry's Urban and Community Forestry (U&CF) program assisted 10,547 communities. The Research and Development program also had a successful year, developing 6,719 research products, tools, and technologies for transfer to users. To improve financial accountability, the agency implemented its Foundation Financial Information System (FFIS) and continues to improve its financial management policies and simplify its budget structure.

In response to the wildfires of 2000, the Forest Service and the U.S. Department of the Interior developed the National Fire Plan, which contains both short- and long-term goals for reducing catastrophic wildfire threats. The FY 2001 Interior appropriation contained additional Forest Service funds for projects and activities identified in the National Fire Plan. With the additional funding, the agency will increase its efforts in fighting wildfires, restoring landscapes and rehabilitating burned areas, reducing the risk of fire, and assisting communities. In addition to reducing fire risk and restoring natural ecological systems, the National Fire Plan will create new jobs in the private and public sectors and improve the capabilities of State and volunteer fire organizations.

FY 2000 was also a year of revising strategic directions and reengineering management processes to improve efficiency and accountability. The agency completed and published the first revision of its strategic plan, adding greater clarity of vision to its long-term direction. The Forest Service responded to criticisms of its performance data reliability by developing new data bases for tracking, verifying, and communicating performance information. The agency also improved two fundamental information management data base-INFRA and NRIS. The continued development and implementation of the agency's Natural Resource Information System (NRIS) will provide a solid decision-making foundation, and provide data exchange capability with external partners. The infrastructure data base (INFRA) added several new management applications to improve the quality of inventory data. In addition, special teams are rethinking the agency's performance measurement and budget formulation systems. Clear linkages are being developed among the budget structure, program activities and outputs, annual goals and measures, and long-term strategic outcomes and measures. The Forest Service has now developed a comprehensive set of financial performance measures for assessing its financial performance against identified standards and goals. The agency is also developing a new Activity Based Costing/Management (ABC) system that will help provide the reports needed for performance indicator costs. A new data warehouse being developed by contractors will

enhance the completeness, accuracy, and usefulness of data across the agency. Finally, the agency is studying how to develop a system for making real time obligations during fire-fighting operations.

Many areas for improvement still remain. Program evaluations and customer satisfaction surveys performed during FY 2000 revealed a need to strengthen internal management practices and to improve coordination internally among programs and externally with other agencies. The Forest Service is committed to using the lessons learned from this performance assessment to provide even greater service and leadership in the future.

FY 2000 Performance at a Glance

1. Ensure Sustainable Ecosystems

Performance Measures	FY 2000 Target	FY 2000 Actual
# acres of land treatments to protect and improve watershed conditions on NFS lands	26,608	29,899
# miles of roads decommissioned	2,500	2,545
# acres of lands restored by reforestation	234,503	217,125
# acres of treatment of harvest related woody fuels—brush disposal	107,200	93,459
# acres of noxious weed treatment to protect and restore forest and grassland ecosystems on NFS lands	56,000	121,946
# acres of rangelands treated to protect and restore forest and grassland ecosystems on NFS lands	5,000,000	4,074,880
# acres of timber sales to protect and restore forest and grassland ecosystems on NFS lands	520,000	340,148
# acres of forest lands maintained or enhanced by stand improvement	235,365	223,634
# acres of hazardous fuels reduction	1,320,000	772,375
percent of most efficient level for firefighter production capability	74	74
# acres of landownership consolidated through acquisition and exchange to facilitate restoration and protection	116,550	214,740
# acres of nonindustrial private forest (NIPF) lands under approved Stewardship Management Plans	1,905,000	1,437,360
# acres of multiresource practices implemented on NIPF lands	0	0
# acres of Legacy Project Acquisition	157,632	29,614
# million acres of forest health surveys and evaluations on Federal and cooperative lands	788	737
# miles of inland stream improved for fish habitat	1,275	883
# miles of stream improved for anadromous fish habitat	545	601
# miles of aquatic TES stream improved for fish habitat	215	203
# acres of inland lake to improve forest, rangeland, and lake habitat for wildlife and fish species	8,010	11,321
# acres of lake to improve forest, rangeland, and lake habitat for wildlife and anadromous fish species	5,120	6,748
# acres of aquatic TES lake habitat to improve forest, rangeland, and lake habitat for wildlife and fish species	80	78
# acres of terrestrial wildlife habitat restored or enhanced to improve forest, rangeland, and lake habitat for wildlife and fish species	174,500	132,580
# acres of terrestrial TES habitat restored to improve forest, rangeland, and lake habitat for wildlife and fish species	107,000	59,793
# signed conservation agreements, strategies, and recovery plans	347	314
# of research products, tools, and technologies transferred to users	5,011	6,719
percent of forest land covered by the Annual FIA and FHM Programs	47.5	47.5
# million acres of above-project inventory completed	12.9	4.5
# assessments completed	148	87
# acres of wilderness meeting forest plan standards for physical and social conditions	31,300	NA

NA = Data not available due to lack of clear guidance for field reporting.

2. Ensure Multiple Benefits for People within Capabilities of Ecosystems

Performance Measures	FY 2000 Target	FY 2000 Actual
# annual education contacts	551,000	568,658
# permits administered for recreation special uses	23,700	24,541
# heritage sites preserved/ protected	3,200	4,430
# heritage sites interpreted	550	674
# participating communities	10,000	10,547
# communities and volunteer fire departments assisted	3,250	2,990*
# communities working under broad-based local strategic plans	775	928
# million cubic feet of timber volume offered	699	322
# thousand animal unit months of livestock forage	8,903	7,970
# minerals non-energy/energy operations processed	12,250	11,171
# minerals non-energy/energy operations administered to standard	6,450	NA-1
# forests and grasslands initiating or completing new LRMP's or revisions	6	5
# scheduled monitoring reports	133	88
# patrol days of enforcement capacity ❖	†	NA-2
# investigations conducted ❖	2,780	2,080
# miles of boundary line located and maintained	3,195	2,880
# cases resolved to provide and protect public access	350	263
# special use permits administered to standard	6,502	12,108
Road Condition Index rating	330	305
percent roads without critical deferred maintenance needs	40	42
percent roads open to intended traffic	90	96
accident frequency on roads managed and maintained for passenger cars	40	40
percent bridges inspected as scheduled	100	67
average bridge sufficiency rating	60	60
percent facilities maintained to meet standard	NA	NA-2
# capital improvement projects accomplished	73	73
# million PAOT days of seasonal recreation capacity available	210	198
# miles of trails maintained and improved	34,049	25,575

* Estimate based on 8 of 9 Regions reporting.

† No target was established in the FY 2000/01 Annual Performance Plan, published in March 2000.

❖ Measurement will be discontinued or modified in FY 2001.

NA-1 = Data not available due to lack of clear guidance for field reporting.

NA-2 = Data not available due to a change in performance measurement methodology.

3. Ensure Organizational Effectiveness

Performance Measures	FY 2000 Target	FY 2000 Actual
percent of total workforce who are minorities, women, and persons with disabilities	48.9	48.8
percent of leadership positions (GS-13 and above) held by minorities, women, and persons with disabilities	35.6	35.6
# persons served in Youth Conservation Corps	650	705
# persons served in Job Corps	8,800	8,818
# persons served in Senior Community Service Employment Program	5,500	5,410
percent of related indicators for implementation of USDA civil rights initiative	80	80
percent of employees in workforce participating in CIP survey	†	†
Offer to all customers, contractors, suppliers, and vendors opportunity to conduct electronic financial transactions	Electronic submittal of key transactions initiated	Electronic funds transfer primary method of payment
Establish internal enterprise teams to improve management efficiency of national forests in California	Expansion of teams based on evaluation	Corrective action taken based upon evaluations
Offer toll-free telephone, World Wide Web, and automated applications of most frequently requested special use permits to all permittees and applicants	New applications added as they are reengineered	One new web-based application added
Improve service to public land users by providing one-stop shopping for information, permits, and other frequently requested over-the-counter products and services at BLM and Forest Service facilities	Continue to implement plans based on local situations & opportunities	"Service first" plans implemented on a local basis
# customer satisfaction surveys completed	9	3
# followup analyses	†	0
percent of employees who are IBM system users ❖	100	100
percent of total mission critical systems tested and found to be Y2K compliant ❖	100	100
FFIS implemented	Agency -wide	Agency- wide
Real Property Inventory completed	Yes	Yes, partially*
Timber Sale Accounting system implemented	Yes	No
Financial management reports developed	Completed agency-wide	Partially completed*
Unqualified audit opinion	Yes	Audit not completed
Audit items from the Secretary's Management Report eliminated	Yes	Yes, partially*
percent delinquent debts referred to Treasury for offset and cross-servicing	50	NA

† No target was established in the FY 2000/01 Annual Performance Plan, published in March 2000.

❖ Measurement will be discontinued in FY 2001.

* See text in Section 3 for full explanation.

Overview

This annual performance report of the U.S. Department of Agriculture (USDA) Forest Service presents information required by the Government Performance and Results Act of 1993 (GPRA). Through the performance highlights and statistics, this report displays agency accomplishments for fiscal year (FY) 2000.

Mission and Organization

The mission of the USDA Forest Service is “To sustain the health, diversity and productivity of the Nation’s forests and grasslands to meet the needs of present and future generations.”

Based upon the USDA Forest Service Strategic Plan (2000 Revision), the current strategic goals of the USDA Forest Service are to: (1) promote ecosystem health, (2) provide multiple benefits to people, (3) deliver scientific technical assistance, and (4) ensure effective public service.

To accomplish its mission, the Forest Service employs about 36,000 people. In the National Forest System, the agency manages approximately 192 million acres of public land that is administered through 155 national forests and 20 national grasslands. State, Private, and International Forestry provides technical and financial support to non-Federal forest landowners—including private landowners, communities, State forestry agencies, and tribal governments—and assists them in protecting their lands from fire, insects, disease, and noxious weeds; monitoring forest health; and managing their lands. Through cooperation with other research agencies and universities, Forest Service Research and Development provides the scientific foundation for sustainable forest management and the information and technology needed to assure the health, diversity, and productivity of forest and rangeland ecosystems.

Strategic Management

The Forest Service seeks to continuously improve its strategic management, consistent with the intent and requirements of the GPRA. The agency’s long-term vision is published as its strategic plan, which is revised every 3 to 5 years. An Annual Performance Plan, derived from the strategic plan, sets performance targets each fiscal year and articulates the means and strategies to achieve them. In an Annual Performance Report at the conclusion of each fiscal year, the agency discusses its accomplishments in relation to its performance targets. The Forest Service has established clear links between these documents, as well as between its strategic plan and the USDA Strategic Plan. Several transition efforts, discussed in this section, will improve the agency’s performance planning and strategic management efforts even further.

Adjustments to the Strategic Plan and Linkage to the Department of Agriculture Goals

The USDA Forest Service prepared its first strategic plan as required by GPRA in 1997 and its first Annual Performance Plan in 1999. During FY 2000, the agency published a Strategic Plan Revision to reflect consideration of science-based information from recent source assessments, ideas and

suggestions from the public, and professional judgments of how to best serve the needs of the American people, now and for generations to come. The four goals of the 2000 Revision address ecosystem health, multiple benefits for people, scientific and technical assistance, and effective public service. These strategic goals and their corresponding long-term objectives are aligned and support the Department of Agriculture's broader agency goals. The table in appendix C shows this relationship.

Administrative Operation Reforms

The Forest Service is reviewing and starting to implement streamlining and efficiency-enhancing measures for the Forest Service's field structure, workforce, and administrative operation to get more resources for "on-the-ground" activities.

GAO Management Challenges

The General Accounting Office (GAO) has found that the Forest Service faces three significant management challenges. The Forest Service has given, and continues to give, these issues its utmost attention.

Financial Accountability

In January 1999, the Forest Service was named on the GAO High-Risk list because of severe weaknesses in accounting and financial reporting. To be removed from the list, the Forest Service must demonstrate sustained financial accountability. It must implement a system of internal controls that are in line with the Chief Financial Officers Act and include field level actions where the financial transactions start. The agency must, at a minimum, receive an unqualified audit opinion on financial statements for 2 consecutive years.

Being included on the GAO list intensified the agency's actions to correct financial weaknesses. The agency continues to perform an annual risk assessment, prioritizing line items that need corrective action, so it can make strides toward obtaining a favorable audit opinion. In FY 2000, the agency made significant progress that improved the documentation for capitalized real property values. In addition, the Forest Service developed a set of 34 financial performance measures that have been implemented in FY 2001. Performance measures are focused in three areas: 1) progress toward a clean opinion, 2) financial operations, and 3) financial systems operations.

In addition to financial management reforms, the Forest Service is implementing a new budget formulation process in order to provide more realistic budgets and accurate reports. The new budget process started in January 2001 to support the FY 2003 budget cycle. This new system will develop budgets at the field-level and will be based on field unit capability. Forest capability will be defined as the amount of outputs that each forest is able to deliver for a given dollar. Furthermore, the process will be driven by a performance plan that articulates annual performance goals that support the Forest Service long-term goals and objectives set forth in its strategic plan. This new system is intended on developing more realistic budgets tiered to the strategic plan, integrating data from the Land and Resource Management Planning process. The new system will allow the Forest Service to provide timely, credible information, showing the impact various funding alternatives will have with regard to on-the-ground work. To provide the reports needed for performance indicator costs, the

agency is developing a new Activity Based Costing/Management (ABC) system. The agency's new accounting system, the Foundation Financial Information System (FFIS), will also be used to support the budget formulation process. Finally, the agency is studying how to develop a system for making real time obligations during fire-fighting operations.

Performance Accomplishments

Some have stated that the Forest Service has failed to implement GPRA because it lacks effective performance measures and performance management systems. Those who have raised these issues include Congress, GAO, and the USDA Office of Inspector General (OIG). In response, and taking the opportunity of its newly revised strategic plan, the Forest Service is implementing a new process and a new approach to GPRA, including the following:

- The FY 2003 performance plan is being developed prior to the FY 2003 budget formulation.
- Each deputy area was responsible for developing annual performance goals and outcome-based measures with program directors. These goals have become the foundation of the draft FY 2003 performance plan.
- The draft FY 2003 performance plan will be used to set priorities and to decide the appropriate sequence of milestones and goals.
- Clear linkages are being developed among the budget structure, program activities and outputs, annual goals and measures, and long-term strategic outcomes and measures.

The Forest Service believes that these fundamental changes to a new, outcome-oriented budget and planning structure will allow it to provide Congress and the public with a clear understanding of what it accomplished with its appropriated funds.

Human Capital Challenges

The GAO has also cited the Forest Service as one of the many agencies with human capital challenges. Specifically, GAO found that the Forest Service has difficulty replacing experienced fire personnel, thereby threatening firefighting capability during catastrophic events.

The Forest Service has long recognized the human capital challenge it faces. In 1999, the agency asked the National Academy of Public Administration and the Center for Human Resources Management to prepare the *U.S. Forest Service Workforce Plan*. Based on findings in the workforce plan, the agency developed its *Recruitment Strategy 2001-2005* and began implementation in November 2000. The Service-wide recruitment strategy is designed to meet the short- and long-term workforce needs of the agency.

In addition, the Forest Service has prepared a workforce strategy in conjunction with the National Fire Plan to specifically address its need to replace experienced fire personnel. At a time of increased fire complexity and increased demand for firefighter capability, the cadre of available personnel is decreasing for initial and extended attack and large fire support. There are many causes of this decrease, including overall reduction of personnel at field locations; competing workforce priorities; lifestyle changes; an aging workforce; and changes in economic, family, and career track norms. Fire

management plans are in place to achieve increased capability and will be updated and expanded when appropriate to continue to meet changing needs.

Improvements in Data Collection

In response to OIG reviews, the Forest Service made several improvements to its data collection processes during FY 2000. With significant field input, the agency developed a new data base to collect its Management Attainment Report (MAR) performance data. A new Web-based system for the Performance Measures Accountability System (PMAS) also improves data collection from the regions and State partners. These data base improvements and other data collection issues are discussed further in appendix A.

FY 2000 Accomplishments Reported

Forest Service accomplishments presented in this report represent key performance measures that, for the most part, are funded with appropriated dollars. In addition to these accomplishments, the Forest Service also conducts activities and achieves additional accomplishments by using permanent and trust fund dollars and by relying on efforts of other partners, such as, State and local governments, other organizations, or individual volunteers. In many cases, performance targets are set only for accomplishments resulting from appropriated funds and not for contributor efforts or trust fund activities because Forest Service program managers have less control over these resources. These additional accomplishments are not reported here, to ensure a fair comparison with targets; since accomplishments are only set for appropriated dollars, only activities accomplished with appropriated dollars are shown. Any exceptions to this are noted in the report.

Data Validation and Quality Review

On-site reviews of organizational units and resource programs are the primary means of monitoring progress in meeting annual targets and moving towards strategic plan goals and objectives. A variety of reviews are conducted each fiscal year, with the level of detail depending on where they originate. For example, Washington Office reviews conducted by deputy chiefs concentrate on overall program operations while reviews initiated by forest supervisors tend to be much more detailed and can focus on a single activity within a program on a single ranger district. Threatened or endangered species (TES) habitat improvement within the broader program area of Wildlife, Fish and Rare Plants is an example of an activity that might be reviewed at the forest supervisor level. Activity reviews can be initiated at all levels of the organization and are the most common because they examine the detailed operations that use personnel, capital, and information.

The Forest Service reviewed data in this report by checking it against other sources and having program leaders in the Washington Office review data for possible errors. As part of this review, several errors were identified and corrected. Data displayed in this report represent the best currently available given the limited time for us to conduct this review.

FY 2000 Performance Report

Goal 1: Ensure Sustainable Ecosystems

Objective 1.1—Healthy, biologically diverse and resilient aquatic ecosystems restored and protected to maintain a variety of ecological conditions and benefits.¹

Annual Performance Goal 1.1.1—Improve and protect wetland, riparian, and aquatic functions, processes, and associated values by restoring impaired soil and water conditions and improving inland and anadromous fish habitat in unsatisfactory condition.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target †	FY 2001 Revised Target ‡
# acres of land treatments to protect and improve watershed conditions on NFS lands	MAR	38,497	35,562	26,608	29,899	25,233	23,946
# miles of roads decommissioned †	RAR	2,099	2,907	2,500	2,545	2,500	2,560

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

† Accomplished with appropriated, contributed, and K-V funds.

Overview

Land treatment and road decommissioning projects contribute to improving aquatic ecosystems. Through restoration of National Forest System (NFS) lakes and streams, the U.S. Department of Agriculture (USDA) Forest Service improves aquatic and riparian ecosystems in the immediate project area, as well as downstream. Runoff control structures and reshaped and revegetated areas help improve water quality, control erosion, and generally result in healthier, more diverse aquatic ecosystems.

By returning unnecessary roads to forest through decommissioning, the Forest Service lessens adverse impacts to other forest resources such as water quality and fish habitat. The FY 2000 appropriation for road maintenance was insufficient to meet critical road maintenance needs. If critical needs are not met, there are immediate threats to public health and safety, natural resources, or accomplishment of the agency mission. However, local managers generally give higher priority to addressing critical maintenance needs than to road decommissioning projects.

¹ Objective 1.1 from the FY2000 Annual Performance Plan corresponds to Objective 1.a in the Forest Service Strategic Plan (2000 Revision), "Improve and protect watershed conditions to provide the water quality and quantity and the soil productivity necessary to support ecological functions and intended beneficial water uses," and to Objective 1.b in the Forest Service Strategic Plan (2000 Revision): "Provide ecological conditions to sustain viable populations of native and desired nonnative species to achieve objectives for Management Indicator Species (MIS)/focal species."

The difficulty of decommissioning roads has intensified with recent allocations of Federal land for wilderness, wilderness study, and roadless areas. The FY 2000 appropriations bill required that an opportunity be given for public comment prior to any decision to decommission a road. The cost of public comment and compliance with the National Environmental Policy Act (NEPA) involved with decommissioning a road now often exceeds the cost of work on the ground. As a result, the miles of road decommissioned in FY 2000 was 12 percent less than the FY 1999 figure.

FY 2000 Performance

Exceeding its target by roughly 10 percent, the Forest Service significantly increased treatments on NFS lands to protect and improve watershed conditions. This accomplishment was due, in part, to an increase in emergency fire restoration projects. The NFS regions also succeeded in identifying priority watersheds on which to focus 10 percent of the total funding for roads and trails, abandoned mine land, and the Clean Water Action Plan. The National Riparian Service Team continues its outreach to the public and private sectors, building public support and understanding for the purpose and value of riparian resources.

Although decommissioning roads was more difficult in FY 2000 than in any prior fiscal year, the agency still exceeded its target by 45 miles (2 percent). Much of the work was started in prior years and was finally completed, and thus counted, in FY 2000.

The average costs of stand-alone decommissioning projects are currently over \$3,000 per mile. Fortunately, the widespread practice of using contributed funds and including decommissioning as a small part of larger resource projects allows significant accomplishment without such expense. The entire FY 2000 authorization of \$15 million would only have been sufficient to decommission 500 miles at the stand-alone cost. Because it requires significant amounts of time for NEPA, public comment, and resolution of appeals, decommissioning roads is now a multiyear program with individual projects passing through the pipeline at various stages each year.

Program Evaluation

Although no formal program evaluations regarding land treatments were performed, a national team conducted site visits within eight regions and gathered information in order to determine how to manage roads most effectively within riparian areas. The team will provide national training in the spring of 2001.

There were no formal program evaluations of the road decommissioning program in FY 2000, but the Washington Office Engineering Staff sponsored monitoring trips to Regions 5, 6, 8, and 9. The staff found that road decommissioning has become more controversial in recent years and is thus more difficult and costly to implement. The monitoring trips also reconfirmed that there remain tens of thousands of miles of unneeded roads that should be decommissioned and that current road maintenance appropriations fall far short of the total amount necessary to meet critical needs.

Conclusions and Challenges

The steady increase in emergency land restoration projects is taxing staffs at all levels. The agency needs to be able to consistently assess and report the miles of riparian areas and acres of wetlands and their respective conditions, including changes from baseline information. The agency needs to be able to coordinate this information with other conservation agencies. It will work in a cross-cutting manner to strategically concentrate work that improves watershed conditions.

Opportunities exist for the agency to focus on wetlands management as a unifying effort. The agency should capitalize on these opportunities to be more visible in management activities on national forests, especially in relation to how they affect coastal estuary resources.

Future road decommissioning accomplishments will probably be lower than in FY 2000. This is primarily because the simple, less controversial roads/access issues have been resolved. Now the agency must address the potentially more complex road/access issues that will take more resources and time to address on the ground.

Research Contribution *Clean Water*

The Forest Service Research organization demonstrated that low-cost, fiber-based water filtering technology can remove organic and inorganic toxic materials, pesticides, and herbicides from both point and non-point sources. The Wayne National Forest in Ohio and the Catskill Watershed Corporation, which supplies water to New York City, have initiated field research trials in an effort to clean up contaminated water from old, abandoned mines.

Objective 1.2—Ecological integrity of forest and rangeland ecosystems restored or protected to maintain biological and physical components, functions and interrelationships, and the capability for self-renewal.²

Annual Performance Goal 1.2.1—Restore forest lands identified as needing restoration, use a variety of treatments to maintain, improve, and restore forest lands to ensure ecological integrity and aggressively treat noxious weed infestations that pose a threat to rangeland health.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target [†]	FY 2001 Revised Target [‡]
# acres of lands restored by reforestation	MAR	287,905	267,013	234,503	217,125	220,304	185,002 [†]
# acres of treatment of harvest-related woody fuels - brush disposal	MAR	115,503	108,896	107,200	93,459	110,035	109,982
# acres of noxious weed treatment to protect and restore forest and grassland ecosystems on NFS lands	MAR	75,138	87,000	56,000	121,946	85,000	85,000
# acres of rangelands treated to protect and restore forest and grassland ecosystems on NFS lands	MAR	NA	5,000,000	5,000,000	4,074,880	5,000,000	5,000,000
# acres of timber sales to protect and restore forest and grassland ecosystems on NFS lands	TSA	525,755	448,746	520,000	340,148	448,500	400,000
# acres of forest lands maintained or enhanced by stand improvement ⁺	SILVA	296,951	262,786	235,365	223,634	224,505	205,721
# acres of hazardous fuels reduction	MAR	1,489,293	1,412,281	1,320,000	772,375	1,345,000	1,800,000
percent of most efficient level for firefighter production capability	MEL	NA	69	74	74	72	100
# acres of landownership	MAR	177,513	488,835	116,550	214,740	100,906	129,686

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

[†] As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

[‡] As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

⁺ Accomplished with appropriated and K-V funds.

[†] Target set prior to additional fire appropriation for FY 2001. Actual accomplishment should be greater due to increased funding.

² Objective 1.2 from the FY2000 Annual Performance Plan corresponds to Objective 1.b in the Forest Service Strategic Plan (2000 Revision): "Provide ecological conditions to sustain viable populations of native and desired nonnative species to achieve objectives for Management Indicator Species (MIS)/focal species."

Overview

Forest and grassland ecosystems on NFS lands are protected and restored through various land treatment efforts. Timber stand improvement and reforestation provide watershed improvement benefits by preventing unnecessary stream sedimentation, providing cover for wildlife, and improving the resilience of ecosystems. Timber stand improvements also benefit forest health by reducing stand density, thereby allowing the remaining stand to grow more vigorously while reducing the potential for insect and disease outbreaks and high-intensity fire. Historically, timber sale receipts under the Knutson-Vandenburg (K-V) fund support these timber stand improvement activities. The K-V fund is used to reforest timber sale areas, to improve timber growth and product quality on timber sales areas. However, K-V funding is declining as timber sales decline, and consequently, timber stand improvements and reforestation are declining. The challenge is to find other sources of funding so that these critical programs can be continued at the levels necessary to meet agency priorities for reforestation and timber stand improvements. Noxious weed treatment returns the vegetative community to a more natural state and restores land productivity by treating invasive weeds that threaten native plant communities. Other activities that protect and restore ecosystems include implementing direction found in forest plans, project plans, and biological opinions. Implementation is tracked as acres where new management is applied.

Prescribed fire and other fuel reduction treatments enhance forest and range health by reducing the intensity of wildfires, protecting vulnerable urban-wildland interface areas, promoting forage production, and maintaining fire-dependent ecosystems. Finally, firefighting capability is necessary to ensure that fires are controlled for safety, for property and resource protection, and to minimize large wildfire suppression costs.

The consolidation of landownerships within or adjacent to NFS boundaries allows the agency to better manage those lands and focus its efforts on improving the aquatic, forest, and rangeland ecosystems. The land acquisition program is focused on acquisitions that will improve outdoor recreation, protect critical wildlife habitat, and preserve cultural resources. Many of the lands acquired are private inholdings within congressionally designated areas such as wilderness, Wild and Scenic River corridors, and National Recreation Areas.

FY 2000 Performance

Nationally, reforestation attainment was slightly less than planned due to the impacts of a severe fire year and a slowdown in regeneration harvest activity in selected NFS regions. Most reforestation not accomplished in a given year will be carried forward as a continuing reforestation need until it is accomplished.

The genetic resource improvement program does not have a performance indicator. However, it contributes to forest health by identifying and conserving genetic traits that control resistance to major pests and also produces improved seed to support the nursery production and reforestation programs. Forest Service nursery production has been declining for several years, which reflects reduced timber harvests, a shift in emphasis to intermediate treatments rather than regeneration harvests, and increased reliance on natural regeneration rather than planting to achieve reforestation objectives. In addition, more emphasis is being placed on the production of a more diverse mix of species to meet multiple project needs.

Brush disposal was below target in FY 2000. A nationwide burning moratorium in response to the Cerro Grande wildfire in New Mexico prevented several regions from completing prescribed fires in the spring. Dry fall weather also restricted operations.

Noxious weed treatment exceeded the target by 117 percent for two reasons. First, more funding was available for actual treatment work because the personnel who would normally have used the funding for NEPA processing of future years' weed treatment projects were assigned to fire duty. Second, weather conditions were generally favorable for weed treatment.

Rangeland restored and protected was below target because this was the first full year the measurement has been in effect and targets were assigned without the benefit of any historical data. Due to the limited funding available, there is an inability to implement recently completed NEPA-based decisions on schedule. With personnel assigned to fire duties, planned implementation could not take place. The target level of 5,000,000 acres will be maintained for FY 2001 since the agency now has more experience with implementing this target and also because it does not anticipate a fire season as severe as 2000.

Timber stand improvement accomplishments were also less than planned largely due to the commitment of a substantial proportion of the Forest Service workforce to fire suppression activities resulting from a severe fire season. Most timber stand improvement not accomplished in a given year will be carried forward as a continuing need until it is accomplished.

The number of acres treated using timber sales declined because timber sale harvest levels declined. This reflects the lower market prices available for logs, as well as decisions in the marketplace to delay harvesting until it may be possible to obtain higher prices for logs in the future. These market factors cannot be predicted with a large degree of reliability. The target for acres treated using timber sales was based upon historical accomplishments rather than FY 2000 capabilities. Actual accomplishments were expected to be different because this is a relatively new measure for which the agency has little experience. It will not be until FY 2002 that the agency can begin to use out-year timber sale acres treated estimates as part of the budget process, and where actual accomplishments can be retrospectively compared to prior estimates.

Hazardous fuels reduction was below target primarily due to the extreme fire season, requiring personnel to concentrate efforts on wildland fire suppression rather than reducing hazardous fuels. In response to the Cerro Grande fire in New Mexico, permits for prescribed burning were also temporarily suspended. An unusually dry fall further reduced the time available for burning. However, several of the wildfires accomplished beneficial burns in areas that were scheduled for hazardous fuels reduction this year.

The agency achieved its target for firefighter production capability at 74 percent of its most efficient level (MEL). This accomplishment equates to an availability of 7,691 firefighters, 777 engines, 323 prevention units, 53 Type I Hot Shot crews, 39 air tankers, 39 Type II helicopters, and 277 smokejumpers.

For landownership consolidated through land acquisition and exchange, the agency exceeded its target.

Program Evaluation

There were no program evaluations of the land adjustment program in FY 2000. An evaluation in FY 2001 will be completed by each region to give assurance that there is an understanding of the target goals and method of accomplishment on same target acres.

The Washington Office conducted a program review of the nursery program in FY 2000. The main finding of this review was that anticipated Forest Service reforestation needs for the next 3 to 5 years would be insufficient to provide for economically viable nursery operations. The review explored a number of management options to overcome this situation and final management decisions on these options are anticipated sometime in FY 2001.

Conclusions and Challenges

As a result of the severe fire season in FY 2000, the FY 2001 Interior appropriation increased the agency's funding to combat wildland fires, to hire additional firefighters, and to proactively reduce the risk of catastrophic damage. In FY 2001, the Forest Service will attempt to increase its firefighting capability to 100 percent MEL. An extensive hazardous fuels reduction program on NFS lands will increase the effort to reduce hazards in the wildland-urban interface in FY 2001 and beyond.

Reforestation performance was largely in line with the planned program of work. Reforestation work arising from wildfires occurring during the summer of 2000 has created additional demands. A challenge the agency faces is in completing the required analysis and planning steps and consultation with other agencies in a timely manner in order to promptly reforest areas in need. Where it is necessary to remove dead and damaged timber, the timely removal of this material represents an additional challenge to achieving reforestation goals. Revised reforestation, timber stand improvement, and acres treated using timber sales expectations for FY 2001 reflect updated field capabilities for the funding provided, along with a reduction in funding in the final budget available for lower priority timber stand improvement work.

One of the primary challenges for the timber stand improvement (TSI) program is to secure a significant amount of additional funding to stabilize or reduce the currently growing amount of acres in need of thinning or release treatments. At present, there is in excess 10 years' worth of this type of work at present rates of accomplishment and, with each passing year, the number of acres in need of TSI treatment continues to grow.

A significant increase in noxious weeds acreage is expected in FY 2001 on lands that burned in FY 2000. The fires have exposed mineral soils that either presently contain weed seeds in the soils or are conducive to noxious weed infestations as a result of wind- or animal-borne seed spread. These new infestations may need to be evaluated through NEPA prior to decisions being made on how to treat them. For those regions and forests with burned areas to rehabilitate, the potential for new weed infestations is high.

The purpose of making landownership changes is to facilitate management of the system or reduce administrative costs by obtaining an optimum pattern of landownership and resources to meet the public's present and future needs. The agency accomplished the desired objectives in FY 2000, but the challenge is for each region to tighten its target/goal ratio by understanding and properly scheduling its land adjustment programs.

Annual Performance Goal 1.2.2—The Forest Service will encourage restoration efforts on nonindustrial private forest (NIPF) lands through Stewardship Management Plans, stewardship practices, and watershed restoration activities.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target†	FY 2001 Revised Target‡
# acres of NIPF lands under approved Stewardship Management Plans	PMAS	1,158,772	1,866,000	1,905,000	1,437,360	✚	1,579,600
# acres of multiresource practices implemented on NIPF lands	Program Staff	125,000	0	0	0	53,185	0
# acres of Legacy Project Acquisition	PMAS	NA	19,281	157,632	29,614	183,112	200,000
# million acres of forest health surveys and evaluations on Federal and cooperative lands	FHP A&E	787.5	788	788	737	788	788

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

✚ No target was established in the FY 2000/01 Annual Performance Plan, published in March 2000.

Overview

The 9.9 million NIPF landowners control 48 percent of the Nation's forests, but less than 10 percent of them have written forest management plans. Stewardship management plans and multiresource practices on these non-Federal forest lands help enhance forest and rangeland health across the entire landscape. Stewardship planning efforts are critical to this objective, but they also contribute to objectives 1.1, 2.1, and 2.4.

Acquisitions under the Forest Legacy Program help conserve open space and preserve special forest and coastal areas. The Forest Legacy Program deliverables result from real estate transactions that typically run 12 to 24 months from initiation to closing. Due to the voluntary nature of the program, there is a margin of uncertainty in acreage goal estimates. If transactions are delayed or fail, there are fewer acres accomplished in that year.

Forest health surveys and evaluations generate important information on both Federal and cooperative lands. This information allows treatment priorities to be refined to address critical needs, such as reducing buildup of fuels on NFS and private lands; reducing insect, disease, and invasive species threats; replanting and improving forest stands; and preventing soil erosion. The biggest challenges facing the forest health protection program are the identification of acres at risk to insects, diseases, and exotic plants.

FY 2000 Performance

The actual acreage covered by Forest Stewardship Plans prepared in FY 2000 was lower than projected (1,437,360 as opposed to 1,905,000). This reflects a continuation in the downward trend of acres under plans each year due to a number of factors. Some States are opting to focus less on the preparation of stewardship plans and more on the delivery of other, less intensive forms of technical assistance, so that they can reach more landowners and thus expose them to technical forestry expertise. Some States are focusing on producing more plans on smaller acreages; the 19,063 plans prepared in FY 2000 exceeded the Forest Service target of 17,440. In the early years of the program plans were prepared for the most accessible ownerships; ownerships assisted now may be less accessible and more costly to assist.

The Stewardship Incentive Program, which funds the implementation of multiresource practices on NIPF lands, was not funded for FY 2000. There were some accomplishments, funded with carryover dollars from previous years. These figures are not yet available from the USDA Farm Service Agency (contracted by the Forest Service to maintain accomplishments records).

Forest Legacy Program acquisition fell far short of its target in FY 2000 as a result of a late budget allocation to the field and inherent uncertainty in completing real estate transactions with voluntary participants. The agency believes that the program continues to meet its objective. By purchasing conservation easements and fee simple titles from willing owners, the program fosters protection and better use of forested lands threatened with conversion to nonforest uses. This goal is met annually and through cumulative accomplishments. There are also other significant accomplishments not related to this performance indicator. The Forest Legacy Program results in new and enhanced partnerships with State agencies and nongovernment organizations. Furthermore, many State lead agencies that participate in the program have improved their capacity to conserve important and sensitive forests.

The Forest Health Protection (FHP) program surveyed 94 percent of its targeted acres. Wildfires prevented the agency from reaching its target because it had to use survey planes for firefighting and some survey flights were cancelled due to smoke. However, there were other accomplishments in forest health. During its first operational year of the gypsy moth "Slow-the-Spread" program, the agency successfully surveyed 89,544,000 acres and treated 177,840 acres. An emergency suppression of Douglas-fir tussock moth in Oregon prevented damage to critical fish and wildlife habitat. In California, FHP supported initial investigations to determine that the primary cause of Sudden Oak Death is *Phytophthora*, a new species of fungus. FHP is coordinating State, Federal, and local response efforts to limit the harm caused by this disease.

Program Evaluation

The FHP program conducted a genetics review in cooperation with other Forest Service areas and programs. FHP will complete the report during FY 2001.

An interdisciplinary team made up of State foresters and Forest Service regional staff, Washington Office staff, and executive leadership participated in a week-long review of the Northeastern Area's Forest Legacy Program. They found a high level of professionalism, skill in program implementation, and excellent communication between the Washington Office, the States, and the Northeastern

Area. Participating States have demonstrated outstanding results. For example, Massachusetts protected forests that serve a range of critical functions and pursued multistate or regional projects.

A genetics review was conducted by FHP in cooperation with Vegetative Management and Protection Research and Timber Management. The report on this review has yet to be completed.

Conclusions and Challenges

A major challenge for the NIPF program is to continue to provide high-quality assistance to NIPF landowners, while at the same time reaching far more landowners than have been reached in the past. NIPF lands provide over 60 percent of the Nation's timber supply, yet are generally managed without the benefit of technical assistance and knowledge. Increasing pressure on these lands heightens our responsibility to ensure knowledgeable stewardship. Another challenge is to focus the scarce resources for this program on high-priority areas. The Forest Service has been working with State forestry agencies to focus technical assistance on landowners with high-priority areas and will continue this trend in the future.

Due to delays in providing funding advice, Forest Legacy Program accomplishments proposed or expected in FY 2000 will be carried forward to FY 2001. Annual tallies vary greatly on this target, but program performance can be improved by expanding the capacity of field units and providing additional and consistent funding. Funding for the Forest Legacy Program doubled in FY 2001 to \$60 million, up from \$30 million in FY 2000. Ultimately, the FY 2001 funding will enable the program to accomplish over 700,000 acres, but not all of these acres can be completed in FY 2001. Due to the multi-year nature of these projects, the remainder of the acres funded with 2001 dollars will be incorporated into targets for FY 2002 and FY 2003. The FY 2001 target has been adjusted upward to 200,000 acres to reflect the anticipated completion of projects begun in FY 1999 and FY 2000, as well as those projects that can be both initiated and completed in FY 2001.

The agency accomplished several important forest health investigations and insect suppression efforts. However, it was unable to rapidly respond to emergency outbreaks of southern pine beetle in the South and bark beetles in the West. The current performance measure of "acres surveyed" must also be replaced because it is not sensitive to budget fluctuations and does not capture a large portion of the FHP program. In FY 2002, FHP will begin a new performance measure of "acres protected," which includes acres receiving preventive, maintenance, and suppression treatments for insects, disease, and exotic plants.

The Forest Service will continue to support the preparation of Forest Stewardship plans. It will also continue to support other forms of technical assistance, such as more focused practice plans, workshops/courses, and publications. The new Forest Service accomplishment reporting systems planned for 2003 allow for more detailed reporting of these other accomplishments. Milestones for 2001 will include the production of a Forest Stewardship Planning Desk Guide that provides advice to landowners on how to prepare a sound Forest Stewardship plan. A Civil Rights tool kit will also be produced to advise program managers on how to assure that the diversity of participants in the program mirrors the diversity of potential participants.

Overall this year the FHP program was successful in providing financial assistance to support Sudden Oak Death investigations in California, conducting a successful suppression of Douglas-fir tussock moth in Oregon, and implementing the “Slow-The-Spread” Program. However, FHP was unable to rapidly respond to emergency outbreaks of southern pine beetle in the South and bark beetles in the West.

A challenge facing FHP is the implementation of budget-sensitive annual performance measures in FY 2001 and finalizing in FY 2002. Moving the measure from “acres surveyed” to “acres protected” will be more sensitive to changing budgets and will more effectively capture the FHP program.

Research Contribution
Prescribed Fire Models

There was continued collaboration among State and Private Forestry, universities, and Forest Service Research and Development on the 4-year Joint Fire Sciences Program. This collaborative effort has developed fuel consumption models for prescribed fires and wildfires, such as the award-winning CONSUME software, now in widespread use by fire and air resource managers for determining the effects of fire on the landscape.

Research Contribution
Economic Forest Restoration and Fuel Reduction

Forest Service research and technical assistance provided technologies to produce value-added products from material removed to reduce forest fuels and restore healthy forests. These technologies assisted over 70 rural communities across the Nation.

The Wildland Fires of 2000

The 2000 fire season was historic in many regards. Nearly 92,000 wildland fires burned, with up to 86 major fires burning at one time. Over 6.6 million acres burned across the United States, the second highest amount in the last 40 years. The La Niña weather pattern dominated the winter of 1999-2000, causing drought in the southern half of the country. The combination of hot weather, dry fuels, and little rainfall produced one of the most severe wildland fire seasons in U.S. history. Fire activity began in February and March of 2000 with large grass fires in New Mexico. By the end of March, fires had been reported in Virginia, Texas, Louisiana, Missouri, Oklahoma, Georgia, Florida, Alabama, Ohio, Minnesota, and Indiana. The season began in earnest with an escaped prescribed fire on the Bandelier National Monument near Los Alamos, New Mexico. Hundreds of firefighters helped suppress the fire and rehabilitate the burned hillsides. Warm, dry conditions worsened in June and became extreme in July. Lightning-caused fires erupted in Nevada, Idaho, Colorado, Wyoming, and Montana. Dozens of new fires were reported every day in August, and the season did not peak and decline until September.

The Forest Service demonstrated that it was up to the challenge. The agency mobilized up to 28,460 fire personnel at a time, including a total of 1,500 crews, 17,900 overhead personnel, and 6 military battalions. Fire managers also requested and received assistance from several international partners, including Canada, Australia, New Zealand, and Mexico.

The agency lost no time in beginning massive rehabilitation of the burned areas at the end of the fire season. As of mid-October, rehabilitation plans for 85 fires had been developed, 78,000 acres had been seeded, 85 miles of stream beds had been protected, 25,500 acres had been treated for weeds, and 19,000 acres of intensive erosion control had been put in place. Rehabilitation efforts will continue for several years.

In response to the wildfires of 2000, the Forest Service developed the National Fire Plan, which contains both short- and long-term goals for reducing catastrophic wildfire threats. The FY 2001 Interior appropriations provided additional funds for projects and activities identified in the National Fire Plan. With the additional funding, the agency will increase its efforts in wildland fire suppression, restoring landscapes and rehabilitating burned areas, reducing the risk of wildfire, and assisting communities. In addition to reducing wildland risk and restoring natural ecological systems, the National Fire Plan will create new jobs in the private and public sectors and improve the capabilities of State and volunteer fire organizations.

Objective 1.3—An increased amount of habitat capable of supporting viable populations of all native species and support desirable levels of selected species.³

Annual Performance Goal 1.3.1—The Forest Service will work with regulatory agencies and others to conserve species listed as threatened or endangered or identified as sensitive.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target †	FY 2001 Revised Target ‡
# miles of inland stream improved for fish habitat	MAR	911	1,164	1,275	883	1,405	1,492
# miles of anadromous stream improved for fish habitat	MAR	689	715	545	601	605	623
# miles of aquatic TES stream improved for fish habitat	MAR	243	315	215	203	275	240
# acres of inland lake to improve forest, rangeland, and lake habitat for wildlife and fish species	MAR	8,452	11,362	8,010	11,321	8,800	9,361
# acres of anadromous lake to improve forest, rangeland, and lake habitat for wildlife and fish species	MAR	1,086	4,939	5,120	6,748	5,630	5,729
# acres of aquatic TES lake habitat to improve forest, rangeland, and lake habitat for wildlife and fish species	MAR	134	45	80	78	110	90
# acres of terrestrial wildlife habitat restored or enhanced to improve forest, rangeland, and lake habitat for wildlife and fish species	MAR	167,217	184,527	174,500	132,580	272,750	155,860
# acres of terrestrial TES habitat restored to improve forest, rangeland, and lake habitat for wildlife and fish species	MAR	201,966	82,247	107,000	59,793	143,000	90,690

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

³ Objective 1.3 from the FY2000 Annual Performance Plan corresponds to Objective 1.b in the Forest Service Strategic Plan (2000 Revision): "Provide ecological conditions to sustain viable populations of native and desired nonnative species to achieve objectives for Management Indicator Species (MIS)/focal species."

Overview

Performance measures focus on wildlife, fisheries, and rare plants habitat protection, improvement, and restoration. Stream and lake improvements are designed to restore and improve habitats for inland, anadromous, and TES aquatic species. Terrestrial wildlife habitat restoration and enhancement efforts focus on TES, management indicator, and focal species. These programs help restore and improve habitats to maintain the diversity, viability, and productivity of fish, wildlife, and botanical resources, and thus provide for their use and enjoyment by current and future generations.

Conservation and recovery of TES species and their habitats continues to be a major challenge, both on NFS lands and jointly through partnerships with other land managers. Greatly increased development and implementation of conservation and recovery strategies for TES species and their habitats, based on sound assessments and analysis, are needed.

Challenges in achieving wildlife and fish conservation goals include identification of important habitats for non-TES species and maintaining, improving, or restoring these habitats to keep common species common.

Wildlife, fish, and rare plant program needs and goals need to be improved in some national forest Land and Resource Management Plans. A lack of focus and clarity can hamper the development of vibrant wildlife, fish, and rare plants programs.

One challenge facing the Forest Service is to fill vacant field biologist positions necessary for completing basic district, forest, and regional programs of work.

FY 2000 Performance

The Forest Service accomplished only 68 percent of its goal related to acres of terrestrial habitat improvement for wildlife (including TES species). A large percentage of habitat improvement for wildlife is achieved through the use of prescribed fire. Due to prolonged severe wildfire conditions, much of this type of habitat improvement planned for FY 2000 was curtailed.

Aquatic performance indicators were generally on track. A slight deviation from initial targets occurred as a trade-off of treated stream miles for lake acres.

The development of a science report, a multiagency conservation assessment and conservation strategy, and initial implementation of the Canada Lynx Conservation and Strategy and Agreement were major accomplishments in FY 2000. Some 56 national forests manage habitat for this threatened species.

Program Evaluation

A program evaluation was conducted to address predator management in the Southwest Region, with Wildlife, Recreation, State & Private Forestry, and the USDA Animal and Plant Health Inspection Service (APHIS) and the U.S. Fish and Wildlife Service participating. The principal finding was that agreements made under the 1995 Memorandum of Understanding (MOU) were not always being addressed and improved clarification is needed in the roles of the Forest Service and APHIS in conducting NEPA associated with predator management in wilderness.

Several programmatic evaluations specifically addressed regional or national fisheries activities. The Wildlife, Fish and Rare Plant Program reviewed the Eastern Region in January 1999, finding that many factors are impeding the region from implementing wildlife and TES programs. These factors include declining allocations, higher overhead and fixed costs, declining general administration funds, and needs associated with forest and National Environmental Policy Act planning. Additionally, a similar review of the Pacific Southwest Region revealed workforce planning issues. The current biological workforce, while of outstanding professional and technical quality, is not at a staffing level adequate to meet the work that the agency is required and committed to do.

Conclusions and Challenges

The agency is challenged with providing more resources (funding and qualified personnel) to ensure the viability and diversity of sustainable wildlife, fish, and rare plant species. For example, NFS lands are currently home to 415 listed species and 2,900 sensitive species. The Forest Service needs to increase knowledge of management needs, develop and adopt conservation and recovery strategies, and then implement needed management to achieve recovery objectives, as well as to meet appropriate statutory, regulatory, and policy requirements that apply to these species. The agency will continue to work well with its State, Federal, and nongovernmental partners, who are cornerstones of these programs.

There is concern about agency performance in providing ecological conditions, habitats, and desirable trends for non-TES terrestrial and aquatic species. If priorities for protecting, restoring, and maintaining important habitats are not accomplished, more population declines may occur, resulting in additional species becoming listed as threatened, endangered, or sensitive.

Annual Performance Goal 1.3.2—Prepare conservation agreements or strategies to guide resource management efforts for a portion of the approximately 2,100 identified sensitive species.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target [†]	FY 2001 Revised Target [‡]
# signed conservation agreements, strategies, and recovery plans [°]	WFRP	100	269	347	314	419	375

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

[†] As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

[‡] As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

[°] Includes the number of sensitive species agreements and listed species recovery plans accomplished with both appropriated and contributed dollars. Figures are cumulative.

Overview

Conservation agreements and strategies to stabilize and increase TES populations will be emphasized in FY 2001. Improving conditions for these species, including the reintroduction of natural patterns of disturbance and other ecological processes, also benefits a wide variety of other wildlife and plant species.

FY 2000 Performance

The agency did not achieve its goal of 347 signed conservation agreements, strategies, and recovery plans. Of the 314 it did accomplish, 196 were for sensitive species and 123 were for threatened and endangered species. Due to the extreme fire season, staff that would normally work on conservation agreements, strategies, and recovery plans were required to fight fires instead.

Program Evaluation

Although no program evaluations were done regarding conservation agreements, a report highlighted the important economic contributions of the agency's Wildlife, Fish and Rare Plants program. The report, "The Economic Impacts of Fishing, Hunting, and Wildlife Viewing on National Forest lands," demonstrates that forest users who visit national forests for fishing, hunting, or wildlife viewing also purchase goods and services that contribute significantly to the local economies.

Conclusions and Challenges

A key milestone for the future is the successful implementation of conservation and recovery strategies for TES species and their habitats at a rate greater than the rate at which new species are determined to need the protection of the Endangered Species Act to prevent their extinction.

Over the next 2 to 3 years the Forest Service plans that all national forests and grasslands will have identified desired ecological conditions and trends for selected non-TES terrestrial and aquatic species. Priority management actions should be identified for each of these species, including

management needs for essential seasonal habitats. Information management data base modules will facilitate identification of such priorities at landscape and bioregional scales.

If the Forest Service is able to add biological field staff as expected, it should achieve a renewed ability to inventory and treat the backlog of identified habitat needs for both terrestrial and aquatic species. Moreover, the Forest Service should be able to redirect some of its efforts towards units of performance accomplishment that are more expensive and harder to accomplish, but which will have longer term benefits.

Research Contribution
Forest Plants and the Animals

A Forest Service scientist coauthored *Forest Plants of the Southeast and Their Wildlife Uses*, a field-durable manual describing 330 plant species and summarizing wildlife uses for each plant genus. The book was published by the Southern Weed Science Society, and received the Printing Industry Association of the South's award for best 4-color book in 1999.

Research Contribution
Threatened and Endangered Species

Forest Service Research and Development scientists developed recommendations for designing and implementing monitoring protocols for Mexican spotted owls, developed a national survey protocol for lynx, and provided leadership for the national scientific assessment team for lynx.

Objective 1.4—Better ecosystem management decisions based on the best available scientific and management information.⁴

Annual Performance Goal 1.4.1 - Develop and provide to managers the scientific and technical information needed to manage and sustain the forests and rangelands of the Nation.

Performance Measures	Data Source [*]	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target [†]	FY 2001 Revised Target [‡]
# of research products, tools, and technologies transferred to users	RBAIS	NA	5,715	5,011	6,719	5,807	5,704

^{*} See Appendix A for information on the verification methods and limitations of the data sources listed below.

[†] As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

[‡] As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

Overview

Management of natural resources has become more complex as resource demands increase. Natural resource information, developed by agency research scientists, is crucial to maintaining healthy and productive ecosystems as well as to informing Forest Service policy and programs. The mission of Forest Service Research and Development (R&D) is to develop, demonstrate, and disseminate scientific information and new technologies to protect, manage, and use renewable resources in rural, suburban, and urban areas. R&D provides scientific information and new technologies that increase our knowledge of the composition, structure, and function of forest, rangeland, and aquatic ecosystems. With an ever-expanding knowledge base, the agency continuously improves land management practices. These programs extend across all 50 States and U.S. territories, covering both non-Federal and Federal lands.

FY 2000 Performance

R&D surpassed its target, producing 6,719 research products, tools, and technologies transferred to users. Tracking the number of research products does not tell the full story of the R&D program, however. Several accomplishments are highlighted below, while others are featured throughout this report to demonstrate how they contribute to the achievement of other objectives.

- Urbanization and wildfire risk. A full-scale economic analysis of the 1998 Florida wildfires was completed to assess the degree to which vegetation management can reduce economic losses from wildfires. The research findings are informing public debate on the costs of wildfire and helping to develop more effective wildfire risk mitigation strategies.

⁴ Objective 1.4 from the FY2000 Annual Performance Plan corresponds to Objective 4.b in the Forest Service Strategic Plan (2000 Revision): Improve the safety and economy of USDA Forest Service roads, trails, facilities, and operations and provide greater security for the public and employees.”

- New wildland fire software technology. The agency distributed a revised software package to firefighting agencies throughout the United States to help them assess the relative merits of options for fighting wildfires.
- Best Management Practices (BMP's). The agency upgraded forest harvesting BMP's to help land managers better manage forest riparian areas and published these BMP's in a new desktop reference.
- Neotropical migrants. Research discovered that coffee plantations with an overstory of shade trees provide valuable overwintering habitat in the Tropics for both resident and migratory birds. The research identified habitat characteristics that promote avian diversity. The results are being used in several locations to conserve neotropical migrants and to formulate management guidelines for coffee growers. Increasing the overwintering population helps assure higher nesting populations in the United States during the summertime.
- Riparian management in U.S. forests. The Southern, Northeastern, and North Central Research Stations and Regions 8 and 9 jointly published *Riparian Management in Forests of the Continental Eastern United States*. This document is a compendium that is serving as a desktop reference for natural resource administrators, educators, and resource managers who routinely face the challenges of protecting riparian areas.
- The Coastal Landscape Analysis and Modeling Study (CLAMS). The CLAMS models show how forest landscapes might change in the Oregon Coast Range under current and alternate policy scenarios. People using these models can now project how landscapes might change for the next 100 years across the Oregon Coast Range under recently enacted forest policies.

Program Evaluation

To assure the relevance and quality of the research information, technologies, and products, the agency reviewed the missions and charters of approximately 20 percent of the research work units during FY 2000 to determine their continued relevance. Most units will proceed with modifications, including the initiation or elimination of problem analyses, which describe a five year program of work. A few units were terminated in FY 2000, with scientists reassigned to other units.

In FY 2000, the Deputy Chief for R&D reestablished and developed a new streamlined process for Deputy Chief Reviews of the Research Stations, the Forest Products Laboratory, and the International Institute of Tropical Forestry. Five station reviews will occur in FY 2001. Program and operation improvements will evolve from the reviews.

Conclusions and Challenges

The virtually instantaneous public knowledge of current issues and events increases the public's expectation of an immediate Government response to requests for information and assistance. The complexity of ecosystems and gaps in information about their components and processes necessitate long-term studies to discover new knowledge that responds to issues. Where knowledge and technologies are already available, R&D is accelerating dissemination of results. The long-term nature of forestry research, often requiring decades for clear responses to emerge, means that unmet needs will continue to exist where studies are not yet completed.

A variety of new technology transfer tools provide timely, relevant, quality information to customers. Through INTERNET-based products, technical assistance, and presentations to customers, R&D scientists reach an extensive, expanding audience. To efficiently investigate research problems, Forest Service R&D scientists are partnering with universities, States, industry, and other scientists. Parallel to the complexity of problems being researched is the increasing variety of questions, particularly addressing social and economic relationships to ecosystems. To respond to the new demands for research, R&D has committed resources to acquire and develop new social and economics research skills. As limited resources are spread among the escalating diversity of research problems and projects, the traditional ecosystem problems receive less attention.

Additional competition for scarce research funding and personnel occurs as the agency improves the integration of science into the decision-making processes. Researchers are being assigned to new roles in broad geographic-scale assessments, planning, and monitoring. The time committed to these assignments detracts from researchers' capability to conduct additional research to improve and expand the knowledge base to enhance scientific understanding of ecosystems, and to support sustainable management of the Nation's forests and grasslands.

Forest Service R&D is responding to the higher public expectations, the growing complexity and variety of issues, and the increased participation in integrating science into the decision-making processes. Innovative management, state-of-the-art technology, and collaborative efforts have leveraged human and capital resources to allow delivery of a quality research program. Continued commitment of these resources will be necessary to sustain the improvements in the knowledge base provided through the research, inventory, and monitoring programs. This will serve to enhance scientific understanding of ecosystems, including human uses, while the ability to support decisionmaking and sustainable management of the Nation's forests and grasslands will require a continued commitment of adequate capital and human resources.

R&D has established the following milestones regarding research products, tools, and technologies transferred to users:

- Increase understanding of the basic biology and ecology of forests.
- Design and implement landscape-level and other large-scale, long-term experiments, and continue to support those installed over the previous decades.
- Understand the economic and policy-making processes that affect private and public forest landowners, users, and managers.
- Develop systems of forest management that simultaneously produce commodities and maintain and improve forest health and environmental values.
- Integrate the social component into research on forest ecosystems.
- Develop harvest systems that recover timber values without degrading other values.
- Help offset the cost of forest management by overcoming the technical barriers to use of small-diameter timber from fire-prone forests.

Annual Performance Goal 1.4.2 - Provide forest land integrated inventory on a 10-year cycle. Conduct resource assessments at several scales on and affecting NFS lands, to support formulation of policy and programs, and to support forest-level and project-level decisionmaking.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target [†]	FY 2001 Revised Target [‡]
percent of forest land covered by the Annual FIA and FHM Programs	Program Staff	NA	NA	47.5	47.5	47.5	62
# million acres of above-project inventory completed	MAR	NA	10.4	12.9	4.5	15.2	15.1
# assessments completed	MAR	123	190	148	87	172	191

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

[†] As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

[‡] As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

Overview

The Forest Inventory and Analysis (FIA) program, now in its 70th year of continuous operation, conducts the Nation's forest census. FIA monitors the extent, condition, uses, impacts of management, and health of forests across all ownerships in the United States. The program's long-term monitoring effort maintains an ecological "family album" of the Nation's forests, providing snapshots over time that show how forests are growing and changing. The album reveals that—after aggressive clearing and cutting of our forests from settlement through the late 19th century—the total area of forest has recovered and stabilized at about 747 million acres.

The location, composition, and health of our forests are changing dramatically in response to current human and environmental impacts. Assuring sustainable management of forests requires consistent, comprehensive information on forest extent, condition, and trends across the landscape. To rapidly track forest information at the local level and incorporate that information into resource policy and management decisions, Federal, State, local, and private landowners need a complete inventory on a 5-year national cycle. As a result, the FIA program is rapidly transitioning to innovative, annual inventories.

The other two performance measures, integrated inventories and assessments completed, relate to the Ecosystems Management program. Integrated inventories meet multiple information needs required for national forest and grassland management by collecting data on the status or conditions of resources, including vegetative and physical characteristics as well as the human dimensions of natural resources. Inventories occur at multiple scales and use different methods. The consolidated performance indicator for above project-level inventories is an approximation of total acres inventoried across these scales adjusted to avoid counting the same acre more than once.

Assessments also occur at multiple scales and provide information relevant to a broad range of resource management activities. Broad-scale assessments are used to evaluate ecosystem composition, structure, and processes and evaluate indices of ecological, social, and economic sustainability.

Watershed assessments provide the contextual information necessary to focus and prioritize restoration and management. Findings associated with assessments are used to identify topics of general interest or concern to be addressed in land and resource management plans (see Objective 2.5).

FY 2000 Performance

The agency met its goal of having 47.5 percent of forest land covered by the Annual FIA and Forest Health Monitoring (FHM) programs. Sixteen States, comprising 41 percent of the Nation according to forest land area, were fully transitioned in 2000 under the FIA program. Annual survey results are available through the development of the FIA National Presentation Data Base and National Data Distribution tools.

The Forest Service did not meet its target for above-project inventory, primarily due to mid-year changes in priorities. Program managers shifted component measures of the above-project inventory target in order to support Land and Resource Management Plan revisions and watershed assessments. "Terrestrial Ecological Unit Inventories Acres Inventoried" was shifted among eco-sub region, landscape, and land unit scales. This change enabled the program to prepare basic inventories and complete core GIS coverage. However, the program accomplished additional acres of inventory through cooperative efforts with tribes and other agencies.

The number of assessments completed was also well below target, again because of mid-year changes in program priorities. Broad-scale assessments are generally conducted for specific purposes within a defined region. Because these purposes and sizes vary considerably, flexibility is necessary for planning, developing, implementing, and reporting on the results of these assessments. Each successive broad-scale assessment benefits from lessons learned from previous efforts. The Southern Appalachian Assessment was recently completed in 2 years at relatively low cost, and the results have been shared by a number of Federal and State agencies and have proved invaluable in support of land and resource management planning for the region.

Program Evaluation

The FIA program conducted continuous program evaluation through annual FIA User Group meetings at the regional and national level, presentations and participation in national professional meetings, and production of an Annual Business Report, which documents program finances, staffing, outputs, and outcomes. In 2001, the program will implement an online customer survey mechanism to help guide continuous improvement in program delivery.

Several USDA OIG and GAO audits and evaluations are currently being conducted to review inventory and land management planning efforts. During FY 2000, the Forest Service developed a response to a 1999 GAO report titled *Ecosystem planning—Northwest Forest and Interior Columbia River Basin Plans Demonstrate Improvements in Land Use Planning*. This report recommended, among other things, paying more attention to ecological and socioeconomic trade-offs and providing land managers with clear direction for implementation, combined with performance standards to improve accountability. The Forest Service began to implement the GAO recommendations in FY 2000.

Conclusions and Challenges

The FIA program has completed 2 years of a 5-year transition plan and is on track for full program implementation as planned by 2003. The growing challenge facing the program is to ensure that agency budget requests incorporate the funding needed to fully implement the FIA program. These funding needs are documented in the February 2000 Memorandum of Understanding signed between the Forest Service and the National Association of State Foresters. To achieve further progress, the program will develop protocols for implementation of the Inventory and Monitoring Framework by September 30, 2002. Additionally, the complete annualized inventory methodology will be initiated in all 50 States by September 2003, with State analytical reports produced not more than 5 years after a State has implemented the methodology, and every 5 years thereafter.

In FY 2001, the agency will revise the definitions of its inventory indicators and maintain a 10-year inventory cycle. The longer the inventory cycle length, the more outdated and less reliable the information, and therefore, the greater the resource management and legal risks for the Forest Service programs and services. With a 10-year inventory cycle, the agency can maintain high-quality resource information.

Objective 1.5—Naturally functioning wilderness ecosystems where conditions are determined primarily by natural forces.⁵

Annual Performance Goal 1.5.1 - Ensure that Congressionally designated wilderness areas and their associated ecosystems are influenced by natural processes and protected from human-caused degradation.

Performance Measures	Data Source [*]	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target [†]	FY 2001 Revised Target [‡]
# acres of wilderness meeting forest plan standards for physical and social conditions	MAR	45,000	31,300	31,300	NA	22,000	31,450

^{*} See Appendix A for information on the verification methods and limitations of the data sources listed below.
[†] As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.
[‡] As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

Overview

With almost 20 percent of the NFS designated as wilderness, the National Wilderness Preservation System plays a key role under Goal 1. Wilderness provides a benchmark for comparison with developed landscapes and offers society the associated benefits of clean water, clean air, and open spaces.

The major purpose of the congressional wilderness designation is to protect and preserve the natural, “wilderness” character of the designated area while allowing opportunities for solitude and primitive and unconfined outdoor recreation (see Objective 2.1). As much as possible, natural ecological processes are allowed to operate without intervention. As such, wilderness areas provide a basis for assessing the effects of changes induced by land management practices, pollution episodes, and other human-induced events.

FY 2000 Performance

Accurate data for this measure is not available for FY 2000. Based upon the field submissions for this Management Attainment Report (MAR) indicator, there appears to be a lack of understanding in interpreting and applying the measurement definition. Program staff will remedy this situation in FY 2001 by issuing clarifying guidance. Additionally, the program is developing new performance measures to provide a more meaningful reflection of its work.

⁵ Objective 1.5 from the FY_2000 Annual Performance Plan corresponds to Objective 23.1c in the Forest Service Strategic Plan (2000 Revision): “Improve the capability of wilderness and protected areas to sustain a desired range of benefits and values.”

Despite this measurement shortcoming, the agency achieved significant accomplishments in its Wilderness program. Most of the remote acres protected as Wilderness remain unchanged by human influence. Wilderness fire use programs will allow natural processes to operate more freely, and the effects of air pollution are being monitored in Class I areas. Noxious weed monitoring, prevention, and treatment are resulting in positive effects on native plant communities. However, many wildernesses do not have a field presence or active monitoring program.

Program Evaluation

There were no on-site program evaluations specific to wilderness; however, the Washington Office conducted a general recreation program review of Region 6, which contained cursory evaluations of the wilderness program.

Conclusions and Challenges

Over the last 35 years, the focus of wilderness management has been on recreation. Today's wilderness system provides both the benefits of recreation and an environmental baseline. Wilderness provides incredible opportunities to connect with nature and to experience its raw power and beauty. The key challenge is to preserve these wild landscapes for generations to come. An active monitoring program conducted by a trained field staff is the key to long-term success.

The overall strategy for the wilderness program is detailed in the Forest Service document "Thinking Like A Mountain" (TLAM). Because the current performance measures do not adequately identify or measure the accomplishments of the program, the program is proposing to use several new performance measures.

Goal 2: Provide multiple benefits for people within the capabilities of ecosystems.

Objective 2.1—Quality recreation experiences with minimal impacts to ecosystem stability and condition.⁶

Annual Performance Goal 2.1.1—Offer outstanding opportunities for solitude and primitive or unconfined outdoor recreation.

Performance Measures	Data Source [*]	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target [†]	FY 2001 Revised Target [‡]
# annual education contact	MAR	500,000	551,000	551,000	568,658	500,000	555,000

^{*} See Appendix A for information on the verification methods and limitations of the data sources listed below.
[†] As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.
[‡] As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

Overview

Providing quality outdoor recreation opportunities depends upon a number of factors that must all come together at the national forest and ranger district level. One of these factors that contribute to the quality of the recreation experience is face-to-face contact with the public where information on recreation opportunities, proper land ethics, and other matters is communicated.

FY 2000 Performance

The number of public contacts is one of the MAR criteria that can be measured and is important to the wilderness program. Wilderness rangers are the primary point of contact for wilderness visitors. The Forest Service uses these brief contacts to educate the visitors about minimum impact camping through the “Leave No Trace” program. We have found this to be a successful experience for both the Agency and the visitor.

During FY 2000, the agency exceeded its target for education contacts. Wilderness Rangers provided “Leave No Trace” messages and wilderness contacts in the field and at public gatherings. With limited wilderness funds, managers continue to emphasize quality contacts to the public.

Program Evaluation

No on-site program evaluations were conducted specific to wilderness; however, the Washington Office conducted a general recreation program review of Region 6, which contained cursory evaluations of the wilderness program.

⁶ Objective 2.1 from the FY 2000 Annual Performance Plan corresponds to Objective 2.a in the Forest Service Strategic Plan (2000 Revision): “Improve the capability of the Nation’s forests and grasslands to provide diverse, high-quality outdoor recreation opportunities.”

Conclusions and Challenges

The agency is doing well with its effort to provide meaningful education to the public about the importance of leaving no trace upon the landscape. However, future education efforts must involve the private sector and interagency cooperation with the public sector in order to achieve long-term progress. The Forest Service will continue to refine our conservation message and create efficient delivery systems.

Annual Performance Goal 2.1.2—Provide additional recreation opportunities, including special uses such as outfitter, guide, and concessionaire operations.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target †	FY 2001 Revised Target ‡
# permits administered for recreation special uses	MAR	23,000	23,792	23,700	24,541	23,000	23,700

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

Overview

In addition to recreation opportunities directly offered by the Forest Service, additional opportunities are provided by the private sector and are authorized and administered via recreation special use permits. Examples of opportunities might include organized horseback rides, mountain bike races, boat rentals on lakes, guided backpacking trips, overnight camping, and alpine snow skiing. Because they result in increased recreation opportunities, the number of recreation special use permits is tracked on an annual basis. While the number of permits is indicative of the number of opportunities available to the public, it is also indicative of the level of resources required to offer such a program.

FY 2000 Performance

The special uses program administered over 24,000 permits, exceeding the goal and generating approximately \$35 million in receipts to the Treasury in addition to numerous recreation opportunities for the public. This increase from the target reflects the implementation of a new special uses data system (SUDS). As old data is reconciled and transferred, the new system will provide information for program administration that will have a higher level of confidence. The agency released the draft Cost Recovery regulation, conducted numerous training programs around the NFS to improve permit administrator competencies, and began a relationship with the Small Business Development Center (SBDC) to create a program to educate agency administrators and permittees on the usefulness of business plans.

Program Evaluation

No on-site program evaluations were conducted specific to special uses; however, the Washington Office conducted a general recreation program review of Region 6, which contained cursory evaluations of the Special Uses program. Several regions identified key areas of concern and began to focus resources to address weaknesses. The agency continues to implement recommendations made by the Special Uses Reengineering Team. Recommendations focused on streamlining of administrative systems and improving permit administrator competencies with the overall goal of improving services to customers.

Conclusions and Challenges

Overall, the Special Uses program continues to suffer from lack of permit administration resources, which not only affects quality on the ground permit administration, but also stifles needed policy changes. Existing permit administrators continue to be asked to perform jobs not related to permit administration. A continued downward trend in resources, along with a focus on increasing involvement of the private sector in supplying recreation services will lead to increasing poor customer service, which in turn will lead to poor service to the public. The agency has recognized the need to develop additional resources.

Annual Performance Goal 2.1.3—Identify sites for future scientific evaluation, protection, and interpretation efforts, and maintain visitor satisfaction through awareness and participation in heritage site inventory, site evaluation, restoration, and protection from vandalism.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target [†]	FY 2001 Revised Target [‡]
# heritage sites preserved/ protected	MAR	6,795	4,345	3,200	4,430	2,000	3,096
# heritage sites interpreted	MAR	538	593	550	674	400	421

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

[†] As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

[‡] As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

Overview

Heritage resources provide numerous benefits to the American people, including key connections to the Nation's historic and prehistoric past. Heritage resources cover a broad spectrum, including the physical remains of prehistoric and historic cultures, locations of cultural or religious significance, written records, and oral histories. Public interest in heritage tourism is increasing, and this interest is being addressed through public educational experiences and opportunities.

FY 2000 Performance

The decline in number of sites protected/preserved is partly the result of a flat program budget over the last several years. The western fire situation in FY 2000 also played a role in reducing the number of sites protected because of heritage personnel shifted to duties on fire details. The number of sites interpreted is steady, due in part to public demand for heritage information. In some cases, such as in Region 9, partnerships contributed heavily to some increases in sites evaluated and interpreted. Partnerships provide us with expanded abilities to accomplish our performance targets. The use of volunteers and partnerships has provided us with the means to keep at or near target levels. In certain locations, members of the public who volunteer as site stewards provide a pivotal role in protecting heritage sites. The Passport in Time (PIT) program has been instrumental in protecting sites by accomplishing as much as 25 percent of the preservation work in some regions.

Program Evaluation

No program evaluations were performed at the national or regional levels due to a mid-year budget shortfall. However, most regions performed one to two forest heritage program evaluations.

Conclusions and Challenges

The FY 2000 performance clearly shows a program trend of declining ability to protect heritage sites and resources. This problem deserves attention and must be reversed. Without heritage program increases, the agency will be challenged to utilize outside partnerships and assistance to even greater degrees, but there are limitations based on the number of heritage personnel to initiate these actions.

The Forest Service also faces a growing public demand for heritage/tourism types of activities and information. Catastrophic events such as the recent fires of FY 2000 leave a reduced heritage workforce, not only with great amounts of restoration work, but also with performing compliance work associated with all the fire related activities. New regulatory frameworks also place heightened work activities with Indian Tribes and consultation. Better agency integration and support are the key elements to improving performance.

By law, the agency is obligated to conduct inventories to survey all heritage-related resources and evaluate and manage those with significance to the American people. About 300,000 sites need to be inventoried. At the current rate of 3,200 inventories conducted per year, this task will take about 90 years to complete. The Forest Service is conducting research and developing costing tool factors to help prioritize sites for inventory work.

Objective 2.2—Improved urban environments and enhanced community livability through healthy landscapes.⁷

Annual Performance Goal 2.2.1—Increase assistance to eligible communities to increase local capacities to assess, expand, and improve urban environments.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target [†]	FY 2001 Revised Target [‡]
# participating communities	PMAS	9,635	11,101	10,000	10,547	12,850	11,100

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

[†] As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

[‡] As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

Overview

State and Private Forestry's Urban and Community Forestry (U&CF) Program provides leadership in improving and expanding urban forest ecosystems. The U&CF Program assists local communities in recognizing the value of their forests, building capacity to manage community forest resources and supporting community vitality through public involvement, commitment, and action. Programs such as tree planting can help mitigate the effects of air, water, soil, and noise pollution; reduce energy use; and beautify communities. These efforts can also improve the economic climate by increasing real estate values and making communities attractive to prospective businesses.

The U&CF Program also leads communities to provide better stewardship of urban natural resources. The program offers expert advice, innovative technology, and focused financial assistance to ensure that there are healthy trees and forests where people live, work, and play. Metropolitan areas collectively support nearly one-quarter of the Nation's total tree canopy cover. Program funding contributes to community economic stability, natural beauty, public health, and quality of life. U&CF works cooperatively with State foresters and other partners to effectively carry out the Federal role. Current program emphasis is on strengthening State and local capacity, reducing urban sprawl, assessing the condition of urban natural resources, and strengthening applied research and technology transfer.

FY 2000 Performance

The Forest Service exceeded its target of participating communities by 547. Progress continues to be made to increase the number of communities active in the U&CF Program. Nearly 25 percent of communities of all sizes across the country are currently receiving technical or financial assistance through the program. Focused efforts in large metropolitan areas have expanded outreach to under-

⁷ Objective 2.2 from the FY2000 Annual Performance Plan corresponds to Objective 2 in the Forest Service Strategic Plan (2000 Revision): "Improve delivery of services to urban communities."

served communities and contributed to the revitalization of inner-city neighborhoods, including neighborhoods in Seattle; San Francisco; Los Angeles; Las Vegas; Denver; Chicago; Buffalo; Boston; New York; Philadelphia; Baltimore; Washington, DC; Atlanta; and South Florida. Several metropolitan-scale urban forest analyses have been completed—including Baltimore/Washington, Atlanta, Puget Sound, Houston Gulf Region, and Denver and the Front Range—to assess and respond to tree cover loss to urban development over time. A new urban technology transfer center has been established in Scranton, PA, along with existing centers in Davis, CA; Athens, GA; Amherst, MA; and St. Paul, MN. Significant new tools, publications, and training events were developed to improve the management of urban forests and strengthen public understanding of the resource.

Program Evaluations

No program evaluations were conducted in FY 2000.

Conclusions and Challenges

In its 10 years of funding, U&CF has shown tremendous accomplishments in terms of public awareness and participation in State and local urban and community forestry programs. Financial support to State and local programs has built a structural capacity leading to greater numbers of self-sustaining efforts; Federal funds are leveraged four to one by local public investments in tree planting and maintenance.

There continues to be a need for greater scientific understanding and applied research in urban forest health, structure, and function within the landscape in order to better monitor and sustain the long-term benefits provided by these forests. As urbanization spreads into less developed rural areas, a growing percentage of the Nation's natural resources—including key national forests—will become part of urban forest ecosystems. For this reason, it is critical that we begin to look at and influence vital connections on the landscape. From declining inner-city neighborhoods to increasingly fragmented rural forests, a new emphasis on the Nation's "green" infrastructure will enable the agency and the U&CF Program to work effectively across the landscape with other Federal, State, and local partners to contribute to and build more sustainable communities.

While the Forest Service will continue to track trends in participating communities, volunteerism, and sustainability of local programs, new data has been developed on urban tree canopy cover and green space. By 2006, the agency will achieve a milestone 5-percent increase in green space within targeted urban areas.

Research Contribution ***Urban Forests***

A new computer model and sampling protocol, developed by Forest Service Research, is being used by various cities to help easily assess urban forest structure and various forest functions (e.g., air pollution removal, and carbon sequestration). These tools are being used to better manage urban forests and improve human health and environmental quality in cities. Forest Service scientists also published *Connecting People With Ecosystems in the 21st Century: An Assessment of Our Nation's Urban Forests*, the first nationwide urban forest assessment.

Objective 2.3 – Economically healthy and diversified rural communities operating under strategic plans for sustainable development.⁸

Annual Performance Goal 2.3.1—Increase assistance to rural communities.

Performance Measures	Data Source [*]	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target [†]	FY 2001 Revised Target [‡]
# communities and volunteer fire departments assisted	Program Staff	NA	2,450	3,250	2,990	2,502	5,332
# communities working under broad-based local strategic plans	PMAS	690	740	775	928	800	1,000

^{*} See Appendix A for information on the verification methods and limitations of the data sources listed below.

[†] As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

[‡] As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

⁺ A change in data tracking methodology occurred between 2000 and 2001. Data from 1999 and 2000 did not distinguish between communities and volunteer fire departments assisted, thus leading to underreporting. Beginning in 2001, these items are being tracked separately and added together to produce this performance measure.

❖ Estimate based on 8 of 9 regions reporting.

Overview

Through the Economic Action Programs, the Forest Service provides technical and financial assistance to help economically disadvantaged rural communities strengthen, diversify, and expand their local economies; improve transportation networks; and increase access to technology. By helping to increase investments in sustainable forest management and compatible development, natural resource-dependent rural communities and natural resource-based businesses are stimulated to pursue self-sufficiency and sustainability.

Assistance to rural volunteer fire departments is a crucial activity that increases their ability to protect the natural resources that small communities rely on for their economic livelihood.

FY 2000 Performance

The Forest Service exceeded its goal for number of rural communities working under broad-based local strategic plans. Rural communities use these plans to develop local capacity to actively engage in sustainable development through the assistance of the agency's Economic Action Programs. As communities begin to think and work more strategically, the Forest Service is trying to help them put in place "community-based outcome measurement" processes. In FY 2000, nearly 500 were working on measuring their progress; this is an increase of about 100 communities since FY 1999. In FY 2000, over 200 tribal and minority communities received direct financial or technical assistance via these programs; this is about the same as in FY 1999.

⁸ Objective 2.3 from the FY2000 Annual Performance Plan corresponds to Objective 3.a in the Forest Service Strategic Plan (2000 Revision): "Better assist in building the capacity of Tribal governments, rural communities, and private landowners to adapt to economic, environmental, and social change related to natural resources."

The data for communities and volunteer fire departments assisted is an estimate based on 8 of 9 regions reporting. Delays in reporting this data occur because the States do not report until the end of the calendar year.

Program Evaluation

The Forest Service has made progress in helping rural communities establish and take actions to achieve their long-term goals. Some communities are starting to revise and update their strategic plans in order to keep them current and useful in managing the changes that they face. Progress is also being made in helping rural communities measure and evaluate their progress in achieving the goals in their strategic plans. Work with tribes and minority communities is occurring at about the same level as the previous year. Direct, continuous involvement by Forest Service employees continues to be cited by rural communities as the most effective aspect of the agency’s rural community assistance efforts.

Conclusions and Challenges

Those rural communities choosing to revise or update their strategic plans have learned to use strategic planning as a tool for working on their own unique challenges and opportunities. Additional work on strategic plans or their revision will be needed FY 2001 in support of the National Fire Plan. Due to minimal staffing, the challenge will be getting the necessary assistance to those rural communities most heavily in need. Many more small, rural communities could benefit from effective strategic planning and outcome measurement tools; more face-to-face relationship building, training, and technical assistance are essential to building community capacity for the purpose of achieving a sustainable future. This capacity is needed in rural communities faced with changes in natural resource supply, management approaches, or policy decisions—especially in those communities directly associated with public lands.

Opportunities exist for integrated planning and collaborative stewardship of our Nation’s forests and grasslands. One key challenge is having agency employees available to build relationships and work with rural communities as those communities develop and implement their strategic plans. Without good relationships between the Forest Service and local rural communities, landscape-level integrated, collaborative planning and management of lands or natural resources cannot succeed.

In FY 2001, the agency will establish a fully operational, national electronic data base as a management tool that can help document and track the community-based outcomes being measured and evaluated locally.

Research Contributions
Fiber Assessment for Standing Small-Diameter Timber

The Forest Products Laboratory, in cooperation with the Pacific Northwest Research Station, completed a series of studies that developed a field assessment technology for standing small-diameter timber. This research will improve field assessment technology for evaluating the economics of removing standing small-diameter timber and assist managers in evaluating options for improving forest ecosystem health.

Objective 2.4—An improved capability of the Nation’s forests and rangelands to sustain desired uses, values, products and services.⁹

Annual Performance Goal 2.4.1—Provide a sustainable supply of forest products and range forage from NFS lands and encourage and support other landowners to do the same.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target †	FY 2001 Revised Target ‡
# million cubic feet of timber volume offered	STARS	646	437	699	322	608	656
# thousand animal unit months of livestock forage	INFRA	8,903	8,903	8,903	7,970	8,903	8,000

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

+ New and salvage timber.

Overview

Within the context of maintaining and restoring healthy forests and rangelands, the agency provides a sustainable supply of values, products, and services from NFS lands and encourages and supports other landowners to do the same. The forest, range, and minerals management programs provide wood, livestock forage, energy, and minerals for American consumers; jobs and income to local communities; and revenues for the U.S. Treasury and the States.

The national forests are an important source of timber from Federal lands. Timber supplied from national forests has been instrumental in supplementing timber from private lands in order to meet our growing demand for timber and paper products derived from trees. Today, the majority of national forest timber sales are designed to incorporate multiple objectives, including insect and disease prevention and control, wildlife habitat improvement, and fuels reduction. Even so, there is continuing pressure on the agency to meet strict standards for planning, preparing, and administering these sales. The controversy surrounding meeting these standards results in appeals and litigation that increase sale costs and delay sale schedules. These challenges will not be resolved in the near future.

⁹ Objective 2.4 from the FY2000 Annual Performance Plan corresponds to Objective 2.e in the Forest Service Strategic Plan (2000 Revision): “Improve delivery of services to urban communities.”

FY 2000 Performance

The timber sale program achieved 48 percent of its volume offer target. The offer target established was the best case scenario given that no significant issues regarding planned sales would be raised. However, lawsuits and appeals of agency decisions were significant in FY 2000. Lawsuits were the most significant factor affecting the agency's ability to meet its offer target and resulted in the delay of 20 percent of the total program planned. The agency will focus on the accomplishment of this FY 2000 offer volume shortfall in FY 2001, along with accomplishment of the FY 2001 timber sale program.

While the target for animal unit months (AUM's) of livestock forage was 8,903,000, the agency only accomplished 7,970,000 (90 percent). The difference was due to a change in procedure for counting AUM's. In past years, the agency counted AUM's under 10-year permits. Now, AUM's are counted if they are authorized to graze and billed in the current year. The current method includes annual adjustments made for Biological Opinions and other changes. As more allotment management plans are reviewed and evaluated using the NEPA process and subsequent decisions are made, it is expected that AUM's under permit will decline. New livestock grazing permits will be issued which reflect the decisions that follow allotment analyses under NEPA. Other Grazing Management Program accomplishments include completing work on 495 NEPA-based decisions, although approximately 555 were originally planned, and managing approximately only 60 percent of all allotments to agency standards.

Program Evaluation

No program evaluations in FY 2000 involved timber volume offered for livestock forage.

Conclusions and Challenges

Environmental and species protection provisions are evolving faster than the agency can react to them. Timber sales being planned and prepared are affected by appeals and lawsuits on other sales, and the agency no longer has prepared sales in the pipeline to replace those sales that are delayed or withdrawn due to these challenges. A Congressional attempt to address the lack of a timber sale pipeline by establishing the Timber Sale Pipeline Restoration Fund still has potential, but has not yet helped increase the pipeline due to the delay in getting the timber sales sold that would provide the initial funding; and the constraint placed on the agency on how the fund can be used to develop new projects. In addition, sale preparation costs are increasing faster than outyear budget plans anticipate, thus field units have less ability to meet assigned targets during the implementation year. The increased expectation for million cubic feet of timber volume offered reflects Congressional direction to achieve approximately 3.6 billion board feet in FY 2001.

Considering the extreme fire season and the amount of monitoring required, the Grazing Management Program performed extremely well with its limited personnel and budget. The program's major challenge in FY 2001 will be to keep pace with the year schedule for performing NEPA on grazing allotments, as provided by Congress under the Rescissions Act of 1995. NEPA decisions are being issued at a slower rate than anticipated. When the program is fully funded, it will be able to increase the level of monitoring and the pace of NEPA-based decisions. If funding is not available, monitoring will not be achieved at the levels that have been prescribed either through Biological Opinions or

as mandated by the courts. The amount of AUM's authorized on NFS lands will drop as the courts become more involved with allotment management. The 15 year NEPA schedule may not be completed as planned, leaving some grazing allotments without updated plans for a period that crosses two planning cycles for forestland and resource management plans. Because of difficulty in getting NEPA decisions and because of the uncertainty inherent in setting a target for a new measure, the FY 2001 target has been adjusted down to 8,000 AUM's.

Starting in FY 2002, the agency plans to begin describing the results of planned timber sales using a range of volumes and land treatment acres associated with them. It is hoped that this will help focus more attention on the work that is accomplished on the ground and the range of timber sale preparation and administration work that is funded, rather than basing the entire success or failure of the program on the timber offer target.

Annual Performance Goal 2.4.2—Complete NEPA analysis on proposed mineral operations in a timely manner, monitor operations, and ensure that mineral activities are done in an ecologically acceptable manner.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target [†]	FY 2001 Revised Target [‡]
# minerals nonenergy/energy operations processed	MAR	14,000	12,247	12,250	11,171	12,250	✚
# minerals nonenergy/energy	MAR	7,650	9,189	6,450	NA	9,200	✚

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

[†] As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

[‡] As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

✚ This measurement is no longer a valid performance indicator and will be discontinued/modified in FY 2001.

Overview

When mineral operations are proposed on national forest land, the agency prepares site-specific NEPA documents for the proposed operations, determines if design or mitigation measures are necessary, and monitors and inspects the operations. By processing development proposals quickly, the agency ensures that mineral resources are available to meet demand.

FY 2000 Performance

During FY 2000, the Forest Service reviewed and processed 11,149 energy and mineral operations. This was down from 12,247 in FY 1999 because the operations being received for processing are fewer than anticipated. This continued the downtrend that began in the early 1990's. The Forest Service does not control the number of operations that may be proposed in any particular year, and thus there is nothing the agency can do to improve performance for this indicator. In the mid-1990's, the agency surveyed industries about their interest in developing energy and mineral projects on NFS and other Federal lands. There was an industry perception that such projects are poor financial risks because they often involve considerable controversy and lengthy delays. Since the agency is currently receiving bids only from small companies rather than large industrial firms, it is evident that this trend continues.

The other performance indicator for minerals, "operations administered to standard," was not reported by all offices as a result of misunderstanding of reporting standards and definitions and thus is not available for FY 2000. To correct this problem, the Minerals and Geology Staff will develop better guidance to distribute to field offices.

Program Evaluation

Although the Minerals and Geology Program did not have any program-specific evaluations conducted in FY 2000, evaluations of various regions in prior years did identify any serious problems. However, they concluded that greater funding was necessary for all regions. The Director of Minerals and Geology did lead a review using a new approach that evaluates programs on a

multidisciplinary, watershed basis. The review concluded certain improvements could be taken within the region involved to improve coordination between programs and with other agencies. However, FY 2000 was the first year of implementing and emphasizing a watershed approach in management activities.

Conclusions and Challenges

The decline in the number of energy and mineral operations processed will likely continue to decline unless there is a dramatic change in the supply/demand/price of individual commodities and/or a change in perception on the part of industry as to the availability of energy and minerals, without unnecessary controversy and delays, from NFS lands.

There is considerable potential for many commodities on NFS lands including oil and gas, coal, geothermal energy, precious and base metals, industrial minerals, and construction, landscaping, and ornamental mineral materials. The potential for production of natural gas methane from coal bed methane formations from Montana and North Dakota to New Mexico is particularly large, and technologically and economically ready.

During late FY 2000, the Forest Service adopted a policy of requiring all existing mineral and energy operations to be properly inspected, monitored, and bonded, before new operations are approved. This action should help to eliminate controversy and speed approval of new operations in the long term as a result of demonstrating that energy and mineral development does not mean dire consequences on other resources and uses. However, it is likely to cause substantial near-term delays in processing/reviewing new operations unless additional funds are made available to the program.

One of the current performance indicators for minerals and geology, "operations processed," is no longer considered suitable for setting targets because the Forest Service does not control the number of operations that may be proposed in any particular year. The rise in gasoline, natural gas, and fuel oil prices during FY 2000 could have a substantial effect on the amount of oil and gas activity and increase the number of proposed operations by over 1,000. Thus, this indicator will be discontinued in FY 2001.

The other performance indicator for the Minerals and Geology Program, "operations administered to standard," which was not adequately reported for FY 2000, is considered valid for continued use. However, the target is now being set as a percentage rather than a specific number of operations. Because this indicator has been given highest priority, adequate funding is considered available to achieve the target of 100 percent for FY 2001.

Research Contribution ***Livestock Management***

The Rocky Mountain Research Station published *Livestock Management in the American Southwest: Ecology, Society, and Economics*. The book is the first attempt to present the ecological and human aspects of grazing in a single source; and reflects the interdisciplinary research aimed at resolving environmental challenges while sustaining livelihoods and improving the well-being of people in the Southwest.

Objective 2.5—Better resource management decisions based on the best available scientific and management information.¹⁰

Annual Performance Goal 2.5.1—Interpret monitoring results and collect and analyze information to develop new land and resource management plans or revisions.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target †	FY 2001 Revised Target ‡
# forests and grasslands initiating or completing new LRMP's or revisions	MAR	5	11	6	5	35	15

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

Overview

Land and resource management plans guide management decisions for all national forests and grasslands. Plans develop long-term strategies while recognizing the need to make short-term decisions and provide a framework for making future site-specific project decisions. Plans are dependent on data and information collected by inventories and assessments (see Objective 1.4).

The definition of the performance indicator for “forest plan revisions completed or underway” has been under development since FY 1997. The variance in performance levels displayed over time reflects the agency’s ongoing effort to account for the multi-year revision process as well as the FY 1998 Congressional limitation placed on funds that could be utilized for plan revision activities. The performance indicator has two parts: (1) revisions initiated in the budget year and (2) revisions completed in the budget year. Revisions started in a previous year and continuing throughout the budget year without being completed are not included in the performance data but represent a considerable portion of the annual workload and budget expenditures.

FY 2000 Performance

The Forest Service achieved five of its six target land management planning activities. In November 2000, the agency issued a new planning rule to improve the revision process and the quality of resulting plans. These regulations are designed to take advantage of lessons learned over the past 20 years of forest planning. Setting forth a process that makes sustainability the foundation of planning and decisionmaking, the new rule will engage the public in defining the future of NFS forests and create plans with a sound scientific basis.

¹⁰ Objective 2.5 from the FY2000 Annual Performance Plan corresponds to Objective 3.a in the Forest Service Strategic Plan (2000 Revision): “Better assist in building the capacity of Tribal governments, rural communities, and private landowners to adapt to economic, environmental, and social change related to natural resources.”

Program Evaluation

The agency did not perform any program evaluations for this indicator in FY 2000.

Conclusions and Challenges

During FY 2001, the agency will require all Forests and Regions to issue any uncompleted monitoring and evaluation reports for FY 1999 and FY 2000. A national meeting with regional monitoring and evaluation coordinators and monthly conference calls will stress compliance with this target. Additionally, the agency will strengthen the relationship between these reports with the strategic plan and the annual performance plan.

Annual Performance Goal 2.5.2—Acquire, analyze, and interpret information needed to evaluate implementation of land and resource management plans.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target †	FY 2001 Revised Target ‡
# scheduled monitoring reports	MAR	56	101	133	88	135	128

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

Overview

Monitoring and evaluation reporting occurs at two levels: (1) individual land and resource management plan and (2) NFS region. Plan reports describe the monitoring activities and associated evaluation results on how well the plans are being implemented, how effective management actions are in achieving desired results, and the validity of underlying assumptions made in the plans. Results are used in adaptive management to keep plans current and adjust decisions to correct or improve management of the national forests and grasslands. Regional reports aggregate plan reports and evaluate how respective regions are managing their composite national forests and grasslands. The performance indicator is the sum of the number of these two types of reports issued annually.

FY 2000 Performance

The agency did not meet its target for scheduled monitoring reports. Forty-six forests in Regions 1, 4, 5, 6, 8, and 9 did not issue evaluation reports and five of the regions (1, 4, 5, 8, and 9) did not complete State of the Region reports. The agency missed this target because it had to fund emergency or higher priority work instead. The Ecosystems Management program has developed plans to complete these required reports during FY 2001.

Program Evaluation

There were no program evaluations during FY 2000.

Conclusions and Challenges

During FY 2001, the agency will require all forests and regions to issue any uncompleted monitoring and evaluation reports for FY 1999 and FY 2000. A national meeting with regional monitoring and evaluation coordinators and monthly conference calls will stress compliance with this target. Additionally, the agency will strengthen the relationship between these reports with the strategic plan and the annual performance plan.

Research Contribution

Guidelines for Science-based Decisionmaking

The R&D Area developed guidelines for the application of cutting-edge science on contentious management issues. Forest Service and other land management agencies will use these guidelines to help defend land management decisions on millions of acres of public forest and rangelands.

Objective 2.6 – A safe environment for the public and employees on NFS lands.¹¹

Annual Performance Goal 2.6.1—Provide a safe environment for the public and employees on NFS lands.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target †	FY 2001 Revised Target ‡
# patrol days of enforcement capacity	Program Staff	NA	NA	✚	NA	✚	+
# investigations conducted	LEI CTS	3,549	2,783	2,780	2,080	2,780	+

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

✚ No target was established in the FY 2000/01 Annual Performance Plan, published March 2000.

⊕ This target is no longer a valid measure and has been modified for FY 2001.

Overview

Law Enforcement and Investigations (LEI) is charged with providing a safe environment for the public and Forest Service employees on NFS lands. It must also protect natural resources and other property under the agency's jurisdiction. Law enforcement cooperates with Federal, State, and local law enforcement agencies to achieve these goals. LEI accomplishes its mission through three program elements: (1) enforcement activities, (2) investigative activities, and (3) drug enforcement.

Increased recreation on NFS lands has led to an increase in visitation and urban encroachment, causing significant impacts on NFS lands, thereby increasing risks to public and employee health and safety. Consequently, the demands on agency law enforcement personnel continue to increase significantly, but funding, personnel, and cooperative reimbursement dollars have not kept pace.

Increased visitation has also caused more criminality. Incidents against people and their property have increased and have become more severe. No longer are law enforcement personnel just handling minor infractions, petty offenses, and misdemeanors; they are asked to respond to:

- Unplanned incidents including environmental protests, threats to employees and Government property, large group events, rave parties, gang activity, and fire emergencies;
- Crimes such as rape, homicide, domestic disputes, assault, robbery, and other serious felony crimes; and
- Calls to assist in traffic accidents, search and rescue, medical/emergency assistance, hazardous materials spills, and other first responder incidents.

¹¹ Objective 2.6 from the FY2000 Annual Performance Plan corresponds to Objective b in the Forest Service Strategic Plan (2000 Revision): "Improve the safety and economy of USDA Forest Service roads, trails, facilities, and operations and provide greater security for the public and employees."

During the past 10 years, the number of incidents involving crimes against visitors and those perpetrated by visitors has increased to an alarming level. LEI responded to 285,146 incidents in FY 2000, up from 144,000 in FY 1996, a 50 percent increase in public safety, resource protection violations, and other incidents on NFS lands.

National forests have also become a haven for the production of controlled substances and other drug activity. The Forest Service has primary responsibility for drug enforcement on NFS lands. LEI personnel eradicate domestic marijuana plants, locate clandestine methamphetamine operations, and interdict illegal drug smuggling along both international borders:

In calendar year (CY) 2000, 733,427 marijuana plants were eradicated off NFS lands; in CY 1999, 490,304 plants were eradicated. These numbers represent large increases over prior years. In fact, from 1996-1998 the Forest Service eradicated more marijuana nationwide than the Border Patrol did between the ports of entry or the U.S. Customs Service did at the points of entry along the southwest border.;

Methamphetamine labs and dump sites increased from 28 in 1995 to 107 in 1999 to 488 in 2000.

Armed growers, booby-trapped sites, and toxic chemicals pose a tremendous risk to the public and employees. For example, a father and son were shot and seriously injured in the summer of 2000 while hunting within the boundaries of the Eldorado National Forest in California. Additionally, watersheds, vegetation, soils, and wildlife are also at great risk from toxic chemicals, fertilizers, and wildlife poisoning and poaching.

FY 2000 Performance

LEI is striving to develop a reliable method of collecting data to measure the number of patrol days, but no data exists for FY 2000. Due to the recent development of work activities and budget-based performance measures for LEI, the program is discontinuing this measure and utilizing “enforcement capability” as the measure for enforcement activities.

LEI did not reach its FY 2000 target for investigations conducted. This is due in part because there are fewer criminal investigators in the field. In addition, LEI has modified the criteria to determine which cases will be tracked in its Case Tracking System (CTS). This measure is being replaced in FY 2001 with “investigative capability” as a more realistic performance measure.

Program Evaluation

LEI conducted a review of its program performance measures during FY 2000 and made several significant changes to better reflect work activity. The three LEI primary program components will be designated as work activities for budget justification purposes, and new performance measures will ensure greater accountability.

The new performance measures will be defined as follows:

- 1) Enforcement Capability – the number of enforcement actions taken by officers, divided by number of incidents reported, and multiplied by 100. An enforcement action is defined as the issuance of a warning or violation notice. The number of enforcement actions is tracked in

the Law Enforcement Management Attainment Reporting System (LEMARS). The primary limitation to this system is the lack of personnel to input data. Thus, data is often either late or not recorded at all, leading to potential underreporting. In addition, the data base experiences continual technical problems.

- 2) Investigative Capability – the number of investigations closed, divided by the number of investigations opened, and multiplied by 100. The number of investigations is tracked in the CTS. Again, the primary limitation is lack of personnel for data input that can lead to underreporting.
- 3) Number of cannabis plants eradicated. The drug report (FSS 5300-2) captures all related drug enforcement information. The primary limitation is, again, lack of personnel to record and input data.

Conclusions and Challenges

LEI has discovered that existing law enforcement performance measures do not accurately represent program activities. The new LEI performance measures reflect the ability of LEI personnel to respond to illegal activity and service calls, leading to a safer forest environment and greater protection of natural resources.

The agency's goals are to achieve a 100 percent response rate for both enforcement and investigative capabilities and to accomplish the complete elimination of marijuana, methamphetamine, and drug trafficking (along both international borders) on and affecting NFS lands. However, LEI must obtain additional funding to achieve these challenging goals. LEI's base level of service is currently defined as a minimum of one law enforcement officer on each Forest Service unit. As of mid-year 2000, there were 233 units with no law enforcement officer assigned fulltime. LEI will prioritize enforcement and investigative actions, ultimately limiting response to crimes against persons and their property instead of natural resource-related crimes. Until the base level of service is reached, LEI's goal is to maintain, rather than lose, its current enforcement and investigational capabilities.

Objective 2.7 – NFS resources and land title are protected through conflict-free and legally defensible boundary lines and administration of special use authorizations.¹²

Annual Performance Goal 2.7.1—Survey, mark, and maintain agency boundary lines to standard.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target †	FY 2001 Revised Target ‡
# miles of boundary line located and maintained	MAR	NA	3,102	3,195	2,880	3,455	3,282
# cases resolved to provide and protect public access	MAR	277	332	350	263	350	440

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

Overview

Boundary lines established by legal surveys, which are clearly marked and posted on the ground, provide the land manager with defined perimeters for resource activities and development, while protecting the property rights of adjoining landowners and the public estate. These marked and maintained boundary lines help to prevent trespass, encroachment, and unauthorized use of the public estate. This program activity often uncovers previously unknown trespass and encroachments. Trespassing and encroachment on national forest land is a national problem that often requires costly legal action to resolve.

Providing necessary and appropriate administrative and public access to national forest land is an ongoing issue. While there are locations where access is adequate, there are also many locations where limited or no access prohibits the effective management of the land and/or prohibits the public from enjoying the opportunities that the land could provide.

FY 2000 Performance

Nearly 3,000 miles of national forest boundary lines were marked and/or maintained in FY 2000, but the agency did not meet its target. The shortfall was primarily due to the wildfires in several regions that prevented them from marking as many miles of new boundaries and maintaining current boundaries. Since this situation is not anticipated in FY 2001, no specific action is needed.

¹² Objective 2.7 from the FY2000 Annual Performance Plan corresponds to Objective c in the Forest Service Strategic Plan (2000 Revision): "Improve the capability of the Nation's forests and grasslands to provide desired sustainable levels of uses, values, products, and services."

In resolving 263 trespass and encroachments, the Forest Service cleared and removed unauthorized use and occupation of public lands from private use or claim of ownership. However, the agency did not meet its target of 350 cases, again primarily due to the season's wildfires. Since this situation is not anticipated in FY 2001, no specific action is needed. Additionally, Region 10 reported that land conveyances from the Bureau of Land Management (BLM) were slower than anticipated. The Land Management Staff will study whether BLM land conveyances can be expedited.

Conclusions and Challenges

Increasing labor and fixed costs are having a significant impact on the volume of work that can be accomplished from year to year. In addition, a shrinking workforce and the loss of skilled lands specialists is also contributing to declining outputs. However, continued evolution in surveying, mapping, and record keeping activities is off-setting some of the loss in workforce, but also demanding that land specialists have greater technical skills than in the past. In the next several years the agency will have to focus on recruiting and retaining lands specialists with requisite technical skills.

An increasing movement of the public into the rural locations, as well as exploding urban/forest interfaces, is significantly increasing the volume and frequency of encroachments and unauthorized trespasses on the public lands administered by the Forest Service. The greatest challenge in this program area is to ensure that boundary lines are marked and maintained in those areas where increased populations and public use and access will have the greatest impact on the public lands.

Nationwide implementation of the Boundary and Title Management Program in the Forest Service will focus on preventing trespass and encroachment before they occur, including extensive involvement with the land adjustment activities of the agency. This will require that each Forest Service field unit have access to the appropriate lands specialist on an as-needed basis to ensure constant monitoring and protection of Forest Service boundaries and land title.

Annual Performance Goal 2.7.2—Administer special use authorizations to meet public health and safety standards.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target †	FY 2001 Revised Target ‡
# special use permits administered to standard	MAR	14,926	18,726	6,502	12,108	6,385	6,522

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

Overview

Special use authorizations, including communication sites, public and private roads, Federal Energy Regulatory Commission (FERC) license renewals, and energy-related transmission rights-of-way, are all a part of the goods and services that are attributable to NFS lands. These permits provide support to other Federal, State, and local agencies in fulfilling their missions, provide statutory rights of access and use, and contribute to local economies.

FY 2000 Performance

The FY 2000 accomplishment of 12,108 special use permits administered to standard represents a large increase over the target for the fiscal year. Based upon field and program reviews, the reported accomplishment indicates that field staff do not adequately understand the definition for this indicator. The Lands Staff will issue further guidance to provide clarification.

Program Evaluation

Beginning in FY 2000, the Lands Staff initiated internal examinations of the Boundary Management and Title Management programs of the Forest Service. Initial reviews indicate that boundary management and title management are so closely related and intertwined, and dependent upon the same staff specialist, that administratively these programs are being combined into a Boundary and Title Management Program. The Boundary and Title Management Program is currently under design, including measures of accomplishment and accountability. The Boundary and Title Management Program will be more focused on providing boundary lines that are free and clear of legal challenges of ownership and location. The program will also be less focused on producing high outputs (miles of line marked), which may not be representative of the actual program priorities.

An evaluation of the reporting standards being used by each region will be also be conducted during the course of FY 2001 to assure greater understanding and consistency in the criteria used to report accomplishments of cases administered to standard.

Conclusions and Challenges

A clearer definition of the tasks involved in administering a special use case to the minimum standards (for health and safety purposes) will be developed in FY 2001. This will help to assure that only those cases where such tasks have been performed will be reported in the future.

The agency will continue to emphasize full resource integration in permitting and administering all special uses necessary for public health, welfare safety, convenience, and national security, such as pipelines, highways, communications, and telephone lines. The goal is to have at least one-third of the highest priority nonrecreation (lands) special uses cases administered to a minimal health and safety standard annually, so that each of the highest priority cases addressed at least once every 3 years.

Objective 2.8 – An efficient and effective infrastructure that supports public and administrative uses of NFS lands.¹³

Annual Performance Goal 2.8.1—Maintain and restore existing infrastructure to protect capital investments where they provide safe, efficient, and environmentally suitable support for agency activities and public use.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target †	FY 2001 Revised Target ‡
Road Condition Index rating	Program Staff	NA	NA	330	305	330	337
percent roads without critical deferred maintenance needs	INFRA	40	40	40	42	40	41
percent roads open to intended traffic	INFRA	90	90	90	96	90	96
accident frequency on roads managed and maintained for passenger cars	Program Staff	40	40	40	40	40	40
percent bridges inspected as scheduled	INFRA	NA	NA	100	67	100	100
average bridge sufficiency rating	INFRA	NA	NA	60	60	60	60
percent facilities maintained to meet standard	NA	NA	NA	NA	NA	20	20
# capital improvement projects accomplished	Program Staff	NA	62	73	73	79	79
# million PAOT days of seasonal recreation capacity available	MAR	201	203	210	198	215	200

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

Overview

Facility and road maintenance ensures that legal and safety requirements are met as much as possible within funding constraints and helps provide for the safety of forest visitors and a healthy and safe work environment for employees. Maintenance results in higher employee productivity, improved public image, lower Worker's Compensation costs, and improved customer service through better

¹³ Objective 2.8 from the FY2000 Annual Performance Plan corresponds to Objective c in the Forest Service Strategic Plan (2000 Revision): "Improve the safety and economy of USDA Forest Service roads, trails, facilities, and operations and provide greater security for the public and employees."

access. Adequate facilities also increase productivity in environmental resource development and use. At the same time, roads and facilities that are maintained to an acceptable standard help conserve resources and protect ecosystems by minimizing adverse environmental impacts.

Public use at developed recreation sites is increasing, but at the same time, the condition and associated capacity of these and other recreation facilities, measured under objective 2.8, is declining. A greater emphasis on reconstruction of existing sites along with higher levels of road maintenance, rather than new construction, will allow the agency to improve the quality of the recreation experience. However, seasonal capacity will continue to decline until the facility maintenance backlog is corrected. Reconstructing and repairing existing trail tread, bridges, cribbing, water bars and other components better serves the backcountry user and allows for increased user capacity.

FY 2000 Performance

The road condition index, which is the sum of the five subsequent performance indicators in the table above, was below target for FY 2000. This was the first year the agency attempted to calculate this index as well as the indicator for roads without critical deferred maintenance. Thus, there was some uncertainty in developing and applying the correct methodology for these new indicators. The Engineering Staff believes that both measurements will decrease in FY 2001. FY 2001 road maintenance funding, while increased over FY 2000, is still considerably less than necessary to meet critical annual maintenance needs. Roads will continue to deteriorate year to year. The percentage of roads without critical deferred maintenance needs will decrease, and the percentage of roads open to intended traffic will decrease.

The Forest Service exceeded its target for the percentage of roads without critical deferred maintenance needs.

For the third indicator, the percentage of roads open to intended traffic, it is likely that the actual accomplishment is lower than reported data indicate. Road system monitoring trips to Regions 3, 4, and 9 indicated that many national forests do not have good road management objectives to define the intended traffic for each road. Forests that do not have these objectives report operational maintenance levels equal to objective maintenance levels, as they have no basis to report otherwise. When forests develop management objectives as required by the new road policy (and prior policy), the agency expects that the current operational maintenance levels on many roads will be found to be less than objective levels for those roads. This will produce a lower percentage of roads reported open and to intended traffic.

The national average of bridges inspected on schedule is 67 percent, well below the target of 100 percent. There are two reasons for this shortfall: 1) personnel were diverted to fire duty during the field season, which impeded their ability to complete the inspections by the end of the fiscal year and 2) most inspection work is done in late summer and fall when water levels are low and these inspections cannot be processed into the INFRA data base (and thus counted as accomplished) by the close of the fiscal year. Bridge data for FY 1999 is still unavailable due to data base implementation issues. The agency will begin reporting bridge sufficiency data through INFRA in FY 2001 and fatal accident data will be added to INFRA in FY 2002. Data base reporting will improve the accuracy of these measures.

Data are not available for facilities maintained to standard. The agency has not been able to develop a satisfactory method to measure this indicator and will create a maintenance condition index in 2003 instead.

The Forest Service achieved its target for capital improvement projects accomplished.

Seasonal recreation capacity fell short of its target by approximately 12 million persons-at-one-time (PAOT) days as a result of a moratorium on new construction and a budget shortfall in recreation management. In FY 2000, recreation facility construction funds emphasized the reduction of deferred maintenance needs through repair, rehabilitation, alteration, replacement, or decommissioning. New construction and expansion only occurred where a high level of demand could be demonstrated and such activity helped to alleviate deferred maintenance needs at other sites. For recreation facilities construction or reconstruction, \$43 million was appropriated; approximately \$31 million was spent to reduce the recreation facility backlog. In addition, \$27 million was appropriated for recreation facility maintenance. The agency continues to target backlog maintenance and have a moratorium on new construction. A budget shortfall in recreation management also affected the agency's ability to open and operate recreation facilities. This shortfall of funding, and the resulting decrease in recreation seasonal employees hired, contributed to some early closures and shortened hours and work weeks at recreation facilities, thus reducing the PAOT day capacity available to the public. In addition, the severe fire season contributed to personnel shortages and, in some cases, facility closure due to fire proximity.

Program Evaluation

There were no program reviews for the recreation facility program, primarily due to the absence of a developed site program manager. The agency was also forced to postpone a facility condition survey due to the severe fire season.

The Engineering Staff conducted a roads deferred maintenance monitoring trip to Regions 5, 6, and 8 in August 2000. The evaluation revealed that many forests do not have adequate road management objectives. However, forests will be required to develop road management objectives by current as well as newly issued road policies.

Conclusions and Challenges

There is an \$880 million backlog in repair and maintenance for all buildings including \$350 million for existing recreation facilities. The Forest Service must prioritize facilities to be upgraded to meet health, sanitation, and accessibility standards. At the same time, the agency must be prepared to remove buildings and infrastructure that no longer meet our needs, are not in tune with the natural setting, present significant health and safety problems, or are too expensive to maintain. To protect and assure the proper care of natural settings, the agency will need to strengthen some heavily used and fragile sites. New construction should be limited and will need to focus only on resolving resource impacts, meeting identified demand, and helping to diversify local economies. Appropria-

tions are not sufficient to bring all existing facilities to an acceptable standard or to construct new facilities that meet changing customer demands or reduce environmental impacts. The Forest Service will partner with volunteers, nongovernmental organizations, other agencies, and private sector business partners to get the job done.

Both the recreation facility infrastructure and our recreation customers are demanding more attention. To address these concerns, the Forest Service developed the Recreation Agenda. The agenda is a framework for defining principles, processes, and priorities for the long term. It provides a 5-point blueprint, which includes providing safe, natural, well-designed, accessible and well-maintained recreation opportunities for all visitors. The agency will begin implementation, based on available funding, in FY 2001.

Annual Performance Goal 2.8.2—Reduce the backlog of trail construction needs.

Performance Measures	Data Source [*]	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target [†]	FY 2001 Revised Target [‡]
# miles of trails maintained and improved	MAR	NA	33,049	34,049	25,575	34,050	42,045

^{*} See Appendix A for information on the verification methods and limitations of the data sources listed below.

[†] As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

[‡] As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

Overview

A greater emphasis on trail reconstruction along with higher levels of trail maintenance, rather than new construction, will allow the agency to improve the quality of the recreation experience. Reconstructing and repairing existing trail tread, bridges, cribbing, water bars, and other components better serves the forest user and allows for increased user capacity.

FY 2000 Performance

The reported miles of trail maintenance and improvement is well below the original target and less than previously accomplished in recent years, primarily due to confusion over a new reporting requirement. Thus, the data does not necessarily reflect accurate program accomplishments on the ground. Due to time constraints, the agency was unable to perform a full field validation of this measure, but program staff will issue further clarification to the field.

The agency has emphasized reducing the backlog of trail construction/reconstruction and trail maintenance, as well as completing trails inventories to determine the existing situation and plan for the future. While project work was supplemented by volunteer assistance, staff shortages and personnel being assigned to other duties and fire emergencies resulted in lowered accomplishment. There was also concern that appropriated funding was not reaching the ground to accomplish on-site work, but rather supporting too many administrative activities, resulting in less miles of actual maintenance completed.

Additional inventory of trail resources and inclusion in the infrastructure data base will improve overall accountability. Program budgets were supplemented by a variety of partnerships and collaborative volunteer efforts to accomplish trails operation and maintenance needs, and that is expected to continue. Funding levels and other duties, such as fire emergencies, did not allow full staffing of trails positions at local levels, or completion of scheduled maintenance, but increased emphasis should result in improved accomplishment in FY 2001.

Program Evaluation

No on-site program evaluations were conducted specific to trails; however, the Washington Office conducted a general recreation program review of Region 6, which contained cursory evaluations of the trails program.

Conclusions and Challenges

The public is becoming increasingly interested in the trails program through a variety of activities. Funding support has remained constant or increased slightly in the recent past. However, additional funding is needed to accomplish inventory and maintenance needs, maintain and continue partnership outreach efforts, and provide volunteer support. Catastrophic events in some regions from recent fires of FY 2000 have added to trail and trail structures damage resulting in additional rehabilitation needs. Better internal agency and interagency coordination to provide improved effectiveness and efficiency are keys to better public service.

Goal 3: Ensure Organizational Effectiveness

Management Initiative 3.1— An innovative, people-oriented work environment and workforce that is representative of society as a whole and that services all customers equally.¹⁴

Annual Performance Goal 3.1.1—Promote an innovative, people-oriented work environment and workforce that is representative of society as a whole and that services all customers equally.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target †	FY 2001 Revised Target ‡
percent of total workforce who are minorities, women, and persons with disabilities	DN-714	48.9	48.7	48.9	48.8	8.9	48.9
percent of leadership positions (GS-13 and above) held by minorities, women, and persons with disabilities	DN-714	33.2	34.5	35.6	35.6	37	37.2
# persons served in Youth Conservation Corps	SYVP	594	717	650	705	700	735
# persons served in Job Corps	SYVP	9,373	8,623	8,800	8,818	8,850	8,000
# persons served in Senior Community Service Employment Program	SYVP	5,484	5,221	5,500	5,410	5,500	5,000
percent of related indicators for implementation of USDA civil rights initiative	DN-714	NA	78.4	80	80	85	85
percent of employees in workforce participating in CIP survey	DN-714	65	46	✚	✚	50	50

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

✚ The CIP survey was not scheduled for FY 2000, so there is no target or accomplishment to report.

¹⁴ Objective 3.1 from the FY2000 Annual Performance Plan corresponds to Objective 4.d in the Forest Service Strategic Plan (2000 Revision), "Improve the skills, diversity, and productivity of the workforce," and Objective 4.e in the Forest Service Strategic Plan (2000 Revision): "Ensure equal opportunity in employment practices."

Overview

A key component of an effective Forest Service organization is a workforce that is representative of the agency's customers and American public. The Forest Service must be able to attract, retain, and provide career opportunities for employees of various ethnic and cultural backgrounds, as well as those with disabilities. Building skills and cultural awareness for working with low-income, minority, historically underserved communities and tribal governments is also an area that needs to be emphasized.

Programs such as the Youth Conservation Corps (YCC), Job Corps, and Senior Community Service Employment Program (SCSEP) provide opportunities for work, training, and education for the unemployed, underemployed, young, elderly, and others with special needs. These performance measurements indicate the number of people served in each program, where a person year is equivalent to 1,800 hours. There are many challenges facing these programs. It is difficult for the Youth Conservation Corps to recruit and retain youth and then find forests or districts that are willing to host and supervise them. The Job Corps is seeking to recruit more female students to nontraditional trades; it must track the success of all graduates for 1 to 2 years. The SCSEP must implement the Workforce Investment Act and the reauthorization of the Older Americans Act.

Measuring the rate of implementing the USDA Civil Rights Action Team's recommendations is used for gauging progress toward an innovative, people-oriented work environment.

The internal Continuous Improvement Process (CIP) provides the venue for employees to participate in surveys to identify areas within the agency where relative strengths and weaknesses exist and to effect improvements. These improvements extend to providing better customer service.

FY 2000 Performance:

The Forest Service achieved its first two indicators relating to minorities, women, and persons with disabilities. The agency also developed a strategic Public Outreach Plan to increase program delivery and outreach to minorities and underserved populations.

SCSEP placed approximately 100 seniors in the agency's workforce during 1999. This accomplishment represents a 27 percent unsubsidized placement rate, the highest in the program's history. Because of the high placement rate in 1999, however, there were fewer seniors remaining in the program this year and it fell short of its FY 2000 target for number of persons served.

The Job Corps program slightly exceeded its target and achieved an \$8.02 hourly wage placement rate, which was 53 cents higher than the Department of Labor's (DOL's) national average wage rate per hour. Over 1,500 Job Corps students made a significant contribution in the agency's fire fighting efforts in the summer of 2000. All 18 Job Corps centers are coeducational for the first time. Three of the Job Corps centers achieved the 2nd, 3rd, and 4th highest DOL Performance Rankings.

The Youth Conservation Corps also exceeded its target by 55 persons. The program succeeded in serving more students for shorter amounts of time in the summer.

The agency met its target for implementation of the USDA Civil Rights initiative.

Program Evaluation

In FY 2000, a Washington Office Civil Rights team conducted a Title VI Compliance review. The reviewers found that shared resources will improve programs and that the agency needs to improve its interpretation of civil rights responsibilities.

The agency also conducted a formal evaluation of the CIP. International Computers and Telecommunications, Inc. (ICT) worked with the Office of Personnel Management (OPM) and Service-wide CIP Coordinators to evaluate all facets of the program. The evaluation revealed some concern with logistics and actual impact of the program. logistics, for the most part, rated relatively high. Changes, however, were needed to the areas such as timing of the survey, and adding separate questions for temporary employees. The evaluation showed that the impact of the program has improved since the CIP 1997 survey. Service-wide CIP Coordinators all reported varying levels of success throughout their units. An overall area of improvement was communication, especially at the lower levels.

Conclusions and Challenges

Overall, the agency witnessed increased employee morale, decreased employee complaints, increased organizational capacity to perform at a higher level, and fewer retention issues. There is a continuing challenge for the CIP program to provide information in the agency on how it can improve workplace performance.

The Senior, Youth, and Volunteer Programs were successful and made a difference in the lives of many people. The Forest Service has been operating Job Corps for over 35 years, YCC for 30 years, and the SCSEP for 28 years plans to continue these programs in the future since they play a significant role in achieving the Forest Service mission.

Management Initiative 3.2 – All customers receive better service.¹⁵

Annual Performance Goal 3.2.1 – Provide better service for all agency customers.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target †	FY 2001 Revised Target ‡
Offer to all customers, contractors, suppliers and vendors opportunity to conduct electronic financial transactions	Program Staff	Some reference materials available	Electronic payments by agency available	Electronic submittal of key transactions initiated	Electronic funds transfer primary method of payment	✚	TBD
Establish internal enterprise teams to improve management efficiency of national forests in California	Program Staff	Several pilot teams now in place	Evaluations of initial efforts completed	Expansion of teams based on evaluation	Corrective action taken based upon evaluations	✚	25 new teams established
Offer toll-free telephone, World Wide Web, and automated applications to all permittees and applicants of most frequently requested special use permits	Program Staff	Joint Forest Service and BLM web page in place	All but toll-free telephone access is available	New applications added as they are reengineered	1 new web-based application added	✚	New web applications added as they are reengineered
Improve service to public land users by providing one-stop shopping for information, permits, and other frequently requested over-the-counter products and services at BLM and Forest Service facilities	Program Staff	“Service first” agreement signed by Forest Service Chief and BLM Director	“Service first” plans completed on a state-wide basis	Continue to implement plans based on local situations & opportunities	“Service first” plans implemented on a local basis	✚	All “Service first” locations adopt model for information delivery process
# customer satisfaction surveys completed	Program Staff	5	5	9	3	✚	TBD
# followup analyses	Program Staff	NA	24	✚	0	✚	TBD

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

✚ No target was established in the FY 2000/01 Annual Performance Plan, published in March 2000.

¹⁵ Objective 3.2 from the FY2000 Annual Performance Plan does not have a direct correspondence to the Forest Service Strategic Plan (2000 Revision) but has some correlation to Objective 4.c “Improve and integrate informational systems, data structures, and information management processes to support cost efficient program delivery.”

Overview

The first indicator measures progress toward offering all customers, contractors, suppliers, and vendors the opportunity to conduct electronic financial transactions as a means of providing better customer service.

The intent of the second indicator, establishment of enterprise teams on national forests in California, is to improve management efficiencies through use of independent, self-sufficient internal business units.

The third indicator tracks additional features for special use permittees and applicants to use when conducting business with the agency via the Internet.

Improving service for public land users by expanding one-stop shopping opportunities at both BLM and Forest Service facilities is intended to allow the public to conduct certain BLM or Forest Service business at one agency office. Another interagency effort, involving the National Park Service, BLM, and Forest Service, is aimed at operating and expanding the integrated, nationwide, outdoor recreation information system that gives all Americans quick and easy access for recreation use permits and reservations among the three agencies. The primary challenge is moving the Service First Program from a local application (primarily in central Colorado and central Oregon) to a national strategy.

Customer service surveys and follow-up analyses establish and track public opinions of numerous agency programs, highlight areas for improvement, and can foster subsequent changes

FY 2000 Performance

In large part, the first indicator has been accomplished because the Forest Service has implemented electronic funds transfer as payment for products and services received. Past agency payment practices primarily involved mailing paper checks, which took longer to receive and were more expensive, and less secure. In FY 2000, the Foundation Financial Information System (FFIS) was implemented agencywide. Electronic funds transfer is now the primary method of making payments.

The second indicator was not achieved, but the agency made progress toward the goal of expanding internal enterprise teams to improve management efficiency of national forests in California. Based upon the evaluations performed in FY 1999, corrective actions were taken in FY 2000 to improve the program. The revised target for FY 2001 is to add 25 new enterprise teams.

The agency made progress on the third indicator by adopting a multi-agency application form (SF-299) for most special use application requests. It also made this form available to the public via the Forest Service's home page. The SF-299 is currently used by other Federal agencies, such as, the BLM and other Interior land management agencies. Adopting the SF-299 as the standard application form improves service to the public by providing consistency between the various Federal land management agencies. The agency plans to further integrate the IBM system and the application and permitting process by providing proponents the opportunity to file electronic applications with the agency for simple and routine requests to use NFS lands. This capability is expected to be available

in FY 2005. The measure to implement the use of toll-free telephone access will be indefinitely suspended due to the success of the more cost-effective Web-based medium for providing information about the special uses program to the public.

The agency met the target for the fourth indicator by implementing several Service First plans on a local basis. In FY 2000, the program focus shifted from administrative applications, such as colocating BLM and Forest Service offices, to resource management applications that include integrating plans, budgets, and personnel to more effectively accomplish work on the ground. The Central Oregon Initiative, for example, was a dramatic change toward shared management. Meeting the performance target for Service First is vital to the Forest Service and BLM being able to deliver their programs in the future.

For the sixth indicator, the Forest Service completed three customer satisfaction surveys during 2000. In one customer survey of special forest product permits, the agency learned that it needs to improve its internal management practices, especially with the communication of rules, regulations, policy changes, and resource decisions. Another survey of standard timber sale and stewardship customers revealed a need to improve internal management practices and to improve the contract design process.

The seventh indicator, follow-up analyses of customer surveys, is currently under management review to determine whether it is worthwhile to continue it as a management tool and performance indicator.

Program Evaluation

GAO did a program-wide audit and evaluation of the Service First Program in 2000. In a follow-up report, GAO recommended that the Forest Service and BLM move faster in office colocations across the country in order to provide one-stop shopping on an expanded basis.

Conclusions and Challenges

The agency plans a broader adoption of Service First in Regions 1, 3, 4, 5, and 10. In FY 2001, all Service First one-stop shopping locations will adopt the Region 2 Model for “Reinventing the Information Delivery Process.” The Region 2 model involves upgrading web sites, establishing better data bases and retrieval systems, and developing new “case-worker” frontline positions. Ultimately, Service First will become an integral agency-wide strategy for how it does business in terms of allocating resources and managing the land.

Management Initiative 3.3 – Integrated information systems, data structures and information management processes in place to support the agency’s mission.¹⁶

Annual Performance Goal 3.3.1 – Enhance agency information resource systems.

Performance Measures	Data Source*	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target †	FY 2001 Revised Target ‡
percent of employees who are IBM system users	Program Staff	70	100	100	100	100	✚
percent of total mission critical systems tested and found to be Y2K compliant	Program Staff	30	100	100	100	100	✚

* See Appendix A for information on the verification methods and limitations of the data sources listed below.

† As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

‡ As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

✚ Target will be discontinued since goal has been accomplished

Overview

The percent of agency employees using the IBM system measures availability of major information processes and applications. Ensuring Y2K system compliance and subsequent operation is essential.

FY 2000 Performance

The Forest Service achieved both of these goals again in FY 2000.

Program Evaluation

None.

Conclusions and Challenges

Since both of these goals were achieved in FY 1999 and 2000 and are no longer meaningful performance measures, they will be dropped in future performance plans.

¹⁶ Objective 3.3 from the FY2000 Annual Performance Plan corresponds to Objective 4.c in the Forest Service Strategic Plan (2000 Revision): “Improve and integrate informational systems, data structures, and information management processes to support cost efficient program delivery.”

Management Initiative 3.4 – A sound financial system that supports resource decisions with timely accurate information and financial expertise.¹⁷

Annual Performance Goal 3.4.1 – Develop a sound financial system supporting resource decisions.

Performance Measures	Data Source	FY 1998 Actual	FY 1999 Actual	FY 2000 Target	FY 2000 Actual	FY 2001 Initial Target [†]	FY 2001 Revised Target [‡]
FFIS implemented	Program Staff	3 pilot units	3 pilot units	Agency-wide	Agency-wide	Agency-wide	✚
Real Property Inventory completed	Program Staff	No	Yes, partially	Yes	Yes, partially	Yes	Yes
Timber Sale Accounting system implemented	Program Staff	No	No ¹⁸	Yes	No	Yes	No
Financial management reports developed	Program Staff	No	Prototype set partially	Completed agencywide	Partially completed	Completed agencywide	Completed agencywide
Unqualified audit opinion	Program Staff	No	No	Yes	Audit not completed	Yes	Yes
Audit items from the Secretary's Management Report eliminated	Program Staff	No	Yes, partially	Yes	Yes, partially	+	TBD
percent delinquent debts referred to Treasury for offset and cross-servicing	Program Staff	NA	NA	50	NA	+	TBD

See Appendix A for information on the verification methods and limitations of the data sources listed below.

[†] As published in the Forest Service FY 2000/01 Annual Performance Plan, March 2000.

[‡] As published in the Forest Service FY 2001 Program Direction, or updated based upon FY 2000 performance results.

✚ Target will be discontinued since goal has been accomplished.

± No target was established in the FY 2000/01 Annual Performance Plan, published in March 2000.

¹⁷ Objective 3.4 from the FY2000 Annual Performance Plan corresponds to Objective 4.a in the Forest Service Strategic Plan (2000 Revision): "Improve financial management to achieve fiscal accountability."

¹⁸ This accomplishment was incorrectly reported as "Yes" in the FY 1999 Annual Performance Report. The business process reengineering for the Timber Sale Accounting system was deferred in FY 1999 until FFIS became fully functional.

Overview

The Forest Service achieved many important gains in FY 2000 to improve its financial accountability and reporting. The agency has responded to expectations and recommendations from Congress, General Accounting Office, and USDA Office of Inspector General (OIG) to provide accurate, reliable accounting information. In 1999, the National Academy of Public Administration (NAPA) conducted an independent professional assessment of Forest Service efforts to revitalize its business and fiscal functions and restructure its budget and planning processes. The NAPA report recommendations provided an integrated organizational, budget, and programmatic focus on necessary reforms. The agency's primary goal is to achieve a clean opinion on the agency's annual financial statements. Due to significant improvements in the accounting system, financial statement preparation, and cash management, the agency is in a much better position to attain this goal. In addition to the performance measures discussed in this section, the agency has developed several new financial performance measures during FY 2000 but they are not reported yet.

FY 2000 Performance

The Forest Service completed its first year of agency-wide operation of a U.S. Standard General Ledger (SGL) compliant financial management system, the Foundation Financial Information System (FFIS). To improve accountability, the agency continues to stabilize and enhance FFIS. The agency is also aggressively working to eliminate antiquated USDA subsystems feeding data to FFIS. The Forest Service is revising and updating its financial management policies and procedures and simplifying its budget structure. Additionally, the Forest Service hired PriceWaterhouseCoopers to document the transaction flows for all material transactions to facilitate the identification and evaluation of internal controls. The Forest Service has now developed a comprehensive set of financial performance measures for assessing its financial performance against identified standards and goals.

The Forest Service is working cooperatively with the USDA Office of the Chief Financial Officer (OCFO) and the OIG to improve the reliability of its real and personal property accounting. It is anticipated that the Forest Service will provide timely and accurate property, plant, and equipment accounting information in 2001. Progress in FY 2000 included completing the physical verification of real and personal property. The agency also issued revised protocols for FY 2000 deferred maintenance, annual maintenance, and capital improvements, as well as protocols for determining the value of forest roads. While the FY 2000 audit is not yet complete, the OIG has noted that the documentation supporting personal property individual assets has improved significantly.

The agency did not achieve the third target, implementation of the Automated Timber Sale Accounting system, and it will continue to defer this objective until FFIS becomes fully functional. Thus, the target for achieving ATSA implementation will be adjusted to FY 2002 or beyond.

The Forest Service made significant progress toward developing a complete set of financial management reports. There are currently 43 financial management reports available to users showing obligations and direct/indirect costs. An additional 28 reports are being created separate from the new Activity Based Costing/Management (ABC) system currently under development. ABC will help provide the information needed for cost-based performance indicators.

The USDA Office of the Inspector General (OIG) indicated that its audit work will not be complete in time for the March 1 reporting date. The OIG plans to issue a disclaimer of opinion on Forest Service's FY 2000 financial statements on March 1, but will complete its field work by early May. At that time the OIG will, if appropriate, issue a revised audit opinion.

During FY 2000, the Forest Service closed 11 audits that had been initiated by the OIG. Several more audits are ongoing. This performance goal needs to be reexamined since it is common for new audits to be opened occasionally, and thus it is not realistic to expect all audit items to be eliminated from the Secretary's Report at any given time.

Although the Forest Service is referring eligible delinquent debts to Treasury, a reporting system that provides the necessary data with which to calculate the percentage of eligible debts referred does not currently exist. Existing reports, such as the Treasury Report on Receivables (TROR), will require formatting and content modifications to provide the required data. The agency is currently evaluating whether this is a useful measure to carry forward.

Program Evaluation

The agency did not conduct formal program evaluations based upon these indicators during FY 2000. Rather, staff effort focused on developing new financial performance measures that more accurately reflect the challenges and goal of the agency.

Conclusions and Challenges

The Forest Service made great strides in FY 2000 toward its goal of a clean financial statement audit. With a full year of experience implementing FFIS, the agency has identified areas for further improvement and remains confident that the goal can be achieved. Importantly, the OIG has noted the agency's progress on financial and performance reporting. The challenge in FY 2001 will be to resolve remaining issues and seek continuous improvement.

During FY 2001, a Quality Assurance Plan will be put in place to facilitate the internal assessment of compliance with laws and regulations, audit and review of financial activities, and the resolution of long-standing open audit recommendations.

Management Initiative 3.5 – An effective and efficient administrative organization that supports the Forest Service mission.¹⁹

Annual Performance Goal 3.5.1 – To be developed.

Overview

During FY 2000, the agency continued to assess the effectiveness and efficiency of its administrative organization supporting its mission. Performance indicators for this management initiative have not been developed. Availability of data, consistency of definitions, and utility for managers are factors that will determine whether indicators are used in annual performance measurement or longer term monitoring.

¹⁹ Objective 3.5 from the FY2000 Annual Performance Plan corresponds to Objective 4.b in the Forest Service Strategic Plan (2000 Revision): “Improve the safety and economy of USDA Forest Service roads, trails, facilities, and operations and provide greater security for the public and employees.”

Appendix A

Data Sources, Issues, Validation Methods and Limitations

Due to its decentralized structure and wide scope of programs and activities, the USDA Forest Service maintains several systems to track performance and provide management information. These include the following:

- Management Attainment Reporting (MAR) system used mainly for the National Forest System (NFS) programs
- Performance Measures Accountability System (PMAS) used for State and Private Forestry to track cooperative forestry programs
- Research Budget Attainment Information System (RBAIS) used by Research and Development
- Wildlife, Fish, and Rare Plants (WFRP) used to track species and habitat programs
- Infrastructure data base (INFRA) used to maintain and track information on Forest Service infrastructure assets
- National Fire Management Analysis System (NFMAS) used to develop the Most Efficient Level of funding (MEL) for the national fire management organization
- Sales Tracking and Reporting System (STARS) used for the volume of timber offered for sale
- Silviculture (SILVA) data base used to record reforestation and timber stand improvement accomplishments
- Timber Sale Accounting (TSA) system to track the number of acres of timber sales to protect and restore forest and grassland ecosystems on NFS lands
- Forest Health Protection Accomplishment and Expenditure Report (FHP A&E) used to track forest health surveys and evaluations
- Roads Accomplishment Report (RAR) provides data for road decommissioning accomplishments
- Case Tracking System (CTS) used to record the number of law enforcement investigations.
- DN-714 Report used for civil rights indicators
- Senior, Youth and Volunteer Program (SYVP) provides accomplishment data for senior, youth, and volunteer participation
- Program staff provide information for all qualitative performance indicators

The section below provides a general description of the data and some general concerns regarding the quality of data from these various sources used by the Forest Service to track performance.

MAR: MAR is used to set performance targets toward the start of the fiscal year and report on accomplishments at the end of each fiscal year. Each Forest Service region is assigned an accomplishment target for select MAR items after final appropriations and allocation decisions are made. Often, regions request mid-year adjustments to their MAR targets to reflect changes in priorities, needs, costs, or resources. These adjustments may occur after the final version of the Performance Plan is completed, which means MAR targets differ from Performance Plan targets included in this report. Forest Service field employees submit MAR data for district accomplishments through Forest Supervisors to their regional offices, where data are reviewed and aggregated for the region before being submitted to the Washington Office. Some indicators are only reported through MAR while others are included in other reports submitted by the fields or regions.

MAR data are submitted twice each year. In August, regions submit a 10-month report showing projected accomplishments. Then in November, regions submit a final report with actual accomplishments. The Washington Office usually receives final reports in mid to late November in both electronic and paper format. The electronic format consists of a spreadsheet with totals by region. These spreadsheets are fed into a data base to generate national totals.

MAR submissions go through several layers of review, starting at the forest supervisor level, then through regional managers, and finally Washington Office review. During our Government Performance and Results Act (GPRA) report preparation process for FY 1999, the Forest Service identified several weaknesses in the MAR report process regarding the completeness, accuracy, and consistency of data. A USDA Office of the Inspector General (OIG) audit of the FY 1999 Performance Report also found that we do not have sufficient checks in place to ensure that our performance data from MAR are complete, accurate, and consistent with other data sources. To address these concerns, we developed a new MAR data base that has improved the quality of our FY 2000 MAR data.

To improve the quality of data submitted by the field, the Forest Service has developed an automated process to collect MAR accomplishment data reported by field units. The new process takes advantage of our existing LotusNotes computer infrastructure by automatically distributing data entry sheets to the field and allowing for automated roll-ups to regions and the national office for review and analysis. The new process is intended to 1) minimize the risk of errors from manually consolidating data entry sheets; 2) improve data quality analysis, control, and validation efforts by checking for data outliers, incomplete submissions, or missing data; 3) reduce the amount of time required for data entry and tabulation to allow for more time devoted to data review and analysis; and 4) facilitate field review of accomplishment reports. The data base was developed in FY 2000 by IBM Global Services with extensive Washington Office and field involvement; it became operational in early October 2000 to facilitate FY 2000 reporting against MAR targets. Due to time constraints, it was not feasible this year for all forest-level managers to be trained on the new data base and submit forest-level MAR data reports in the data base. However, several regions were able to submit forest-level reports in the data base on a pilot basis. Regional managers reviewed all field data before submitting the regional reports to headquarters via the data base. Program and budget staff in headquarters also concurrently reviewed the data for accuracy, completeness, and reasonableness, and they corrected any deficiencies in consultation with the field. Due to the new MAR data base and review process, we believe that the MAR data is of higher quality in FY 2000 than in previous years.

A separate issue involves definitions, both for MAR and other items as well. MAR measures have standard definitions for each data element. These definitions are distributed throughout the agency at all organizational levels with instructions that they are to be used by all data providers and managers to promote consistency. These definitions appear in Appendix B of this report and in the FY 2000/FY 2001 Performance Plan. Questions on the definitions and measure may originate at all organizational levels, but ultimate responsibility for ensuring consistency in the interpretation of these definitions resides with the Washington Office. Despite these efforts, data quality problems can still occur. Sources contributing to data quality problems include a lack of understanding of MAR item definitions by data providers and/or reviewers, how MAR items should be measured, and when accomplishments should be recorded. The Forest Service is in the process of developing new annual performance measures and this review will include a study of which MAR measures are necessary and how they are defined.

PMAS: State and Private Forestry tracks performance measures related to its programs using the Performance Measures Accountability System (PMAS). PMAS data represents accomplishments for Cooperative Forestry programs throughout the United States. At the start of the fiscal year, Cooperative Forestry Regional Directors are provided with performance measures that require accomplishment reporting. Those indicators are shared with State foresters who have the responsibility of making sure the data are collected at the local level. Data undergo several layers of review, beginning at the local level, moving to the State, regional, and finally the national level. Accomplishment data are kept in local data bases and then provided to the regional and national level in hardcopy form. Accomplishment reports are due in the Washington Office by the second week of November.

A new web-based PMAS system was implemented for FY 2000 automated data collection. Previously, PMAS information was collected on paper forms and forwarded to the Washington Office where the information was entered into a national data base. There were numerous delays in receiving information and errors generated through inconsistent data entry. It was also difficult for the Washington Office to verify the information. There was no mechanism for States or regions to access the information once submitted. The new web-based system minimizes coding of the information and keeps the coding closest to the individuals with knowledge of the information. The information is also immediately available to the submitting State. Once all the States have submitted information and it has been aggregated and verified at the national level, the entire national data set is available to the regions and States. To reduce the possibility of discrepancies between the data set initially created by the State and the merged data set at the national level, a process is in place for discrepancies to be worked out between a State and a region. A region can return a data set to a State where the changes can be made. To secure the system, Cooperative Forestry assigns access names and passwords to system users.

RBAIS: Forest Service Research and Development program maintains the Research Budget Attainment Information System (RBAIS). RBAIS tracks funding and attainment at the Research Work Unit (RWU) level. At the beginning of the year, Research and Development funding is allocated to Research Stations based on Congressional direction. Each station then allocates funding to RWUs. Each RWU submits data on attainment to the research station budget coordinator. The data are reviewed by Station Assistant Directors and then forwarded to the National Budget Coordinator and the Research and Development Staffs in the Washington Office. The Research and Development Staffs review the data, prioritize accomplishments, and provide input to the budget coordinator on the annual RBAIS Report. The budget coordinator organizes the data into a final report that is incorporated into the USDA Forest Service annual report. Data quality problems occur infrequently, and when they do, they are centered on revisions made to RBAIS. The RBAIS measure for scientific papers includes books, papers in series, journal articles, dissertations and theses, and other similar peer-reviewed accomplishments that are primarily related to ecosystem sustainability (Objective 1.4).

WFRP: The Wildlife, Fish, and Rare Plants (WFRP) data base tracks, among other things, conservation agreements and number of listed species covered by recovery plans (Objective 1.3). At the end of each fiscal year, field employees submit program data and project narratives for items tracked in the WFRP data base to regional office program leaders for these programs. The data are reviewed and entered into an oracle data base. The data is then retrieved from each regional data base and merged into a national data base at the Washington Office. A final validation process is used at the Washington Office before the data is used to respond to Congress, administration, and partners.

Standard definitions for each data element are available to all field employees via the National WFRP Website. These definitions are provided to ensure consistency across organizational levels. Data are available from this data base about 4 months after the close of the fiscal year.

INFRA: The Infrastructure database (INFRA) is a nationally deployed application providing integrated inventory of constructed features, roads, trails, and land units while automating several related business functions in financial management, acquisition management, and permits. The application will deliver reports on inventories, real property, and detailed reports on Forest Service deferred maintenance needs. It also contains modules for billing, financial management, and other special uses. Separate modules of INFRA were released and installed on the IBM system during FY 1998 and 1999. Basic inventory data migrated from the earlier Data General system to the new IBM INFRA system as modules were developed and completed. INFRA 3.0, which contains data on several performance indicators, was released in July 1999. Since then, field units have been aggressively collecting deferred maintenance data, general inventory information, as well as other data used to manage all types of assets.

The Forest Service is now beginning the lengthy tasks associated with reviewing, validating, updating, and adding to existing information in INFRA. In some cases, field units have not fully populated some parts of INFRA. Field units have not yet entered certain data into the data base, making it difficult or impossible to report some non-MAR items at this time. The agency expects that over the next 1 to 2 years, data in INFRA will become more complete as field units enter specific information into the system. Management will provide additional guidance and impetus within targeted program areas in order for the Forest Service to provide better information about these various assets.

Further INFRA development and enhancements are ongoing with additional modules scheduled for implementation in FY 2000 and beyond. These new portions of the application will allow for expanded upward reporting of specific program data as well as providing ties to other systems such as the national reservation system and providing the field with business and inventory tools. Business function enhancements include interface with the Forest Service new financial information and accounting system for all real property transactions and permit billing, expanded Geographic Information System (GIS) interface, and new and improved reporting capabilities via standard reports and through ad hoc Microsoft tools.

NFMAS: The National Fire Management Analysis System (NFMAS) is an analytical model used to identify the most economically efficient fire management organization. The NFMAS model develops the Most Efficient Level of funding (MEL) for the national fire management organization based on minimizing the sum of suppression cost and natural resource value losses (see Objective 1.2). In order to ensure the validity and integrity of the MEL process, the agency conducted an exercise in FY 1996 and FY 1997 to certify the data and modeling employed in the application of the NFMAS model. The certification reaffirmed that the documentation and process standards required for fire planning and accomplishment reporting are accurate, current, and consistent with management objectives. Thus, there are no significant data limitations to report.

STARS: The Sales Tracking and Reporting System (STARS) is the data source for the volume of timber offered for sale (Objective 2.4). Timber volumes are determined based upon the priority silvicultural prescriptions that are evaluated and approved through the NEPA process. These volumes

are indicative of the agency's ability to prepare and offer timber sales, and they are entered into STARS as the sales begin to move through the timber sale preparation process. Field units enter the data that is then rolled up to the regional and national levels. The regions and Washington Office program staff verify the data for accuracy and correct any errors. There are no known data limitations. The data is published in the Periodic Timber Sale Accounting Report (PTAR).

SILVA, which is a component of the Timber Activity Control System (TRACS), is the data base of record for reforestation and timber stand improvement accomplishments (Objective 1.2). Field units enter data which is verified by regional and Washington Office staffs at year end. There are no significant data limitations for TRACS.

TSA: The agency uses its Timber Sale Accounting (TSA) system to track data for the number of acres of timber sales to protect and restore forest and grassland ecosystems on NFS lands (Objective 1.2). At the time of sale, field staff enter accomplishments which are then reviewed by regional and Washington Office staff. The agency sends quarterly reports on timber sales to Congress. Because this is an older data base, there are data limitations that require staff at all levels of the organization to spend considerable time verifying the results.

FHP A&E: The Forest Health Protection Accomplishment and Expenditure Report (FHP A&E) is the data source for acres of forest health surveys and evaluations (Objective 1.2). Field units keep track of the data from aerial and ground surveys and send accomplishment data to the regional office. At the regional level, the data is verified and stored in a data base. The only significant data limitation is that an overwhelming portion of the data is from aerial surveys, while ground survey acres contribute a much smaller portion.

RAR: The Roads Accomplishment Report (RAR) provides data on road decommissioning (Objective 1.1). Forests enter road decommissioning accomplishments in their roads data base as projects are completed. At year-end, the forests calculate the total accomplishment and enter it in an electronic spreadsheet form, designed specifically for the RAR. They send these spreadsheets to the regional office where data is verified and compiled. Regions send the accumulated accomplishments to the WO where the data is again checked for outliers and consistency. Any discrepancies are resolved at the regional or field level as necessary. Unlike most other reported data, road decommissioning includes accomplishments from all fund types. The agency has not verified whether forests are accurately reporting accomplishments by the correct fund type, but the combined accomplishments are accurate. Thus, there is no significant data limitation for RAR.

CTS: The Case Tracking System (CTS) is used to record the number of law enforcement investigations. The primary limitation to this system is lack of personnel to input data. Thus, data is often late or not recorded at all, leading to potential underreporting.

DN-714: The agency's National Finance Center produces the DN-714 report, an equal employment opportunity profile. This report includes data on the civil rights indicators found in Objective 3.1. Because the data is based upon the agency's national employment records, it is highly accurate. The data is based upon the number of permanent employees. Temporary employees are excluded because the data would be highly variable.

SYVP: The Senior, Youth, and Volunteer Program (SYVP) tracks data for Job Corps, Youth Conservation Corps, and Senior Community Service Employment Program accomplishments (Objective

3.1). Each field unit submits annual accomplishments for each program via an electronic form (FS 1800-16). The Job Corps and Senior Community Service Employment Program (SCSEP) report on a program year basis from July 1 to June 30 due to funding reasons, while the Youth Conservation Corp (YCC) reports according to the agency's fiscal year. All data is compiled at an intermediate level and at the national level, and the data is verified for consistency and accuracy at each level. Although there is always a chance of human error in entering the initial data, automated calculation of the electronic forms has eliminated the risk of calculation errors. There is no significant data limitation to report.

Program Staff provide information for all qualitative performance measures (Objectives 2.3, 3.2, 3.3, 3.4). The quality of this information is based upon their expertise and in-depth knowledge of the programs in question. Thus, there are no indications of any data limitations for these qualitative measures.

Crosscutting Issues

The Forest Service is committed to collecting, reporting, and making decisions based on the best data possible. This means ensuring that data are accurate, reliable, complete, timely, and validly reflect the Forest Service's strategic goals and mission. As part of its GPRA performance planning and reporting efforts, the Forest Service has uncovered some potential problems that raise questions regarding how much confidence can be placed in data for certain performance indicators. These involve ensuring that data are collected in a timely fashion, data entry errors and missing sources are identified and corrected, and inconsistencies in data are resolved promptly and completely.

Data Warehouse: In addition to the new MAR data base discussed above, a new data warehouse being developed by contractors will also enhance the completeness, accuracy, and usefulness of data across the agency. With a single data warehouse, any data user in the agency will be able to access key performance data from numerous sources throughout the agency's computer network. By making a wide range of performance data readily available to all users, the data warehouse will strengthen our comparative analysis capability and improve our ability to pinpoint areas where data is missing. As part of this effort, contractors will conduct an assessment of existing data sources and make recommendations to improve the quality and completeness of our performance data over the long term. The pilot phase of the data warehouse project ended in February 2001. The project is being evaluated. Implementation on the enterprise-wide data warehouse will begin in FY 2002.

Management and Activity Reviews: On-site reviews of organizational units and resource programs are the primary means of monitoring the agency's progress in meeting annual outputs and in moving towards the goals and objectives identified in the strategic plan. A variety of reviews are conducted each fiscal year and the level of detail varies depending upon where it originates. For example, Washington Office reviews conducted by the Deputy Chiefs concentrate on overall program operation such as Research, State Private and International Forestry, and the National Forest System, whereas reviews initiated by forest supervisors tend to be much more detailed and can focus on a single activity within a program on a single ranger district. Threatened and endangered species habitat improvement within the broader program area of Wildlife, Fish and Rare Plants is an example of an activity that might be reviewed at the forest supervisor level. Activity reviews can be initiated at all levels of the organization and are the most common because they examine the detailed operations that use personnel, capital, and information.

Appendix B

FY 2000

Glossary of Performance Terms

The performance indicators in the FY 2000 Performance Report are presented by objective and are highlighted in bold. Units of measure are in parenthesis.

Objective 1.1

Land treatments to protect and improve watershed conditions on National Forest System (NFS) lands (acres treated):

Includes land treatments and structural improvements to increase the quality and quantity of water and maintain or improve soil productivity. Land treatments are designed to rehabilitate soils and plant cover to achieve reductions of erosion and sedimentation, reduce and prevent floods, conserve water, and increase productivity. Structural measures are used to control water within channels and gullies resulting from accelerated runoff and on slopes where a threat of accelerated erosion exists. Includes linear treatments for riparian areas, stream banks, and channels, which are converted to acres.

Roads decommissioned (miles):

The miles of road restored to natural resource management and the removal of the road from the Forest Service road system.

Objective 1.2

Lands restored by the reforestation (acres):

This includes activities of planting, seeding, and natural means, including site preparation for natural regeneration and certification of natural regeneration without site preparation.

Treatment of harvest-related woody fuels – brush disposal (acres):

The treatment of fuels generated from timber sales and timber stand improvement activities (i.e., brush disposal). Techniques can include logging and scattering and hand or mechanical piling and burning.

Land treatments to protect and restore forest and grassland ecosystems on NFS lands (acres treated):

Includes land treatments designed to restore or maintain healthy conditions and reduce risk and damage from fire, insects, and diseases and invasive species (funded by discretionary appropriations). Types of land treatments include:

- Noxious Weed Treatments: initial and retreatment efforts aimed at managing infestations of noxious weeds and preventing further infestations
- Rangelands restored and protected
- Timber sales: acres of timber sales sold to achieve ecosystem stewardship objectives (only those formerly funded with NFTM)

Forest lands maintained or enhanced by stand improvement (acres treated):

Includes techniques such as release, weeding, thinning, fertilization, and pruning.

Hazardous fuels reduction (acres):

The acres of treated wildland fuel occurring naturally or not covered by activity fuel funding including acres directly affected by management-ignited prescribed fire, prescribed natural fire, and mechanical or chemical treatments that reduce fire hazard.

Firefighting production capability (% of Most Efficient Level (MEL)):

The National Fire Management Analysis System (NFMAS) model develops the Most Efficient Level (MEL) of funding for the national fire management organization based on minimizing the sum of suppression costs, natural resource value losses, and the cost of providing a firefighting organization. The availability of the specific mix of resources is tied directly to a unit's NFMAS analysis (MEL); this performance indicator measures the national percent of MEL that is achieved with the given funding level.

Land ownership consolidated through acquisition and exchange to facilitate restoration and protection (acres):

Fragmented land ownership is consolidated through fee and partial interest acquisition and exchange to facilitate conservation and stewardship objectives. Represents a combination of all land acquisition acres.

Nonindustrial private forest (NIPF) lands under approved Stewardship Management Plans (acres):

The Forest Stewardship Program assists nonindustrial private forest landowners on a voluntary, nonregulatory basis to develop long-term Forest Stewardship Plans for the management of their forests and related resources. The indicator measures the total acreage included in long-term Forest Stewardship Plans, which are developed to assist nonindustrial private forest landowners, on a voluntary, nonregulatory basis, manage their forests and related resources. These plans are developed with technical assistance delivered, in cooperation with the States, to interested NIPF landowners.

Multiresource practices implemented on NIPF lands (acres):

Forest Stewardship Management Plans can be implemented by landowners through approved, cost-shared, multiresource management practices. The indicator measures the acres of multi-resource practices implemented that advance the actual management of all resources such as soil and water, wildlife, recreation, agroforestry, and aesthetics, in a balance that reflects the landowners' goals.

Legacy Project Acquisition (acres):

The Forest Legacy Program conserves environmentally important forests threatened by conversion to nonforest uses through the acquisition of land or interests in land from willing landowners. The indicator measures acres protected, through conservation easements or fee simple acquisition, based on opportunities identified in statewide assessments developed under this program, as well as particular national opportunities and priorities.

Forest Health surveys and evaluations, Federal and cooperative lands (million acres):

Forest Health surveys and evaluations are a component of the State and Private Forestry Forest Health Management Program. These forest insect and disease detection surveys and evaluations,

conducted for all Federal forest lands including National Forest System, National Park Service, Bureau of Land Management, Fish and Wildlife Service, Corps of Engineers, Smithsonian Institution, and Department of Defense lands. Additionally, these surveys and evaluations assure the early detection of forest insect and disease issues for non-Federal lands. Early detection facilitates delivery of professional forest health assistance through cooperation with State governments to private landowners. Assistance is also provided to tribal governments.

Objective 1.3

Streams improved for fish habitat (miles):

This measures miles of rivers and streams that were restored or enhanced for fisheries or threatened and endangered (TES) species habitat using structural or nonstructural improvements accomplished with appropriated funds. Examples of stream or river improvements include the placement of large woody debris and the placement of boulders to provide spawning habitat.

Forest, rangeland, and lake habitat improved for wildlife and fish species (acres treated):

Includes the total number of acres restored or enhanced to achieve desired future condition of wildlife, fish, and TES species habitat using appropriated funds. Restoration and enhancement is accomplished using appropriated funds through application of a variety of management practices such as prescribed burns, seeding to improve foraging habitat for game birds, or manipulating vegetation to obtain the desired habitat condition.

Conservation agreements and strategies and recovery plans (signed agreements):

Report the number of recovery and conservation tasks that were completed in the fiscal year for sensitive aquatic and terrestrial species. Recovery plans and conservation strategies include assignment of specific tasks to agencies. For those federally listed species having either U.S. Fish and Wildlife Service (FWS) approved recovery plans or conservation strategies or sensitive species having a conservation strategy approved by forest supervisors or regional foresters, those tasks required of the Forest Service in the given year that were accomplished are reported.

Objective 1.4

Number of research products, tools, and technologies transferred to users:

Includes information that is provided to public and private land managers and policymakers to enhance scientific understanding of ecosystems, assist in effectively managing the Nation's forests and rangelands, and meet existing legal and regulatory requirements. Includes books, papers in series, journal articles, proceedings, general technical reports, special reports, patents, videos, computer programs, dissertations and theses, and other similar technology transfer accomplishments.

Percent of forest land covered by annual Forest Inventory Analysis (FIA) / Forest Health Monitoring (FHM):

Information provided to public and private land managers and policymakers that characterizes resource status, conditions, and trends. The FIA program provides the only continuous inventory that periodically quantifies the status of forest ecosystems, including timber and nontimber information, across all land ownerships in the United States. FIA strives to maintain current State inventories on the shortest cycle possible. The Forest Health Monitoring plot system identifies and tests environmental indicators and provides data to evaluate the health of all of the Nation's forests.

Above-project inventory completed (million acres):

Integrated inventories are designed to meet multiple needs for information at various scales above the project level and consist of data collection activities to provide information for analysis of the status and/or conditions of natural resources (physical, biological, and human dimensions) required for national forest and grassland management.

Assessments completed (number):

Assessments are characterizations of ecosystems above the project level (e.g., ecoregional, ecosubregional, river basin, landscape, and watershed) that provide information to support formulation of policy, programs, and forest/grassland plans as well as provide context for project scheduling and subsequent project analysis.

Objective 1.5**Wilderness meeting forest plan standards for physical and social conditions (acres):**

Includes providing wilderness stewardship that “protects and/or restores” wilderness characteristics to units of the National Wilderness Preservation System. Requirements include having adequate and appropriate forest plan standards and guidelines for wilderness, monitoring wilderness condition to assess compliance, and determining whether standards are met or exceeded.

Objective 2.1**Annual education contacts (number):**

The number of individual wilderness and “Leave No Trace” contacts of at least 5 minutes in duration that are made annually in which specific information on wilderness is transmitted with a high likelihood of understanding by the participant.

Recreation special uses administered (permits):

The total number of special use permits in existence at the end of the fiscal year. This includes permits administered to standard and those not administered to standard but on the books.

Heritage sites preserved and protected (number):

Includes the number of heritage sites protected this fiscal year. Protection refers to any deliberate, planned activity that shields a site or its information potential from natural or human-caused damage or destruction. This includes indirectly protecting properties by fencing, removing impacting activities and facilities, preventing or controlling access, and monitoring site conditions. Preservation includes restoring, repairing, or rehabilitating heritage properties in order to make them last longer or serve the public better. Sites are afforded protection through project planning; redesign and implementation (site avoidance) are not counted in this category.

Heritage sites interpreted (number):

The number of heritage sites that are newly developed for on-site or off-site public interpretation. Includes interpretive displays, guided tours, trails, interpretive brochures, and interpretive signs.

Objective 2.2

Participating communities (number):

Includes the number of communities that have qualified for base program support and are actively engaged in program activities.

Objective 2.3

Communities and volunteer fire departments assisted (number):

The number of communities and local volunteer fire departments assisted through grants or other cooperative agreements, that provide technical and financial assistance directly to communities, through the States, to effectively and adequately protect State lands and improve firefighting coordination across jurisdictions and to local volunteer fire departments to effectively and adequately protect private lands.

Communities working under broad-based local strategic plans (number):

Includes the number of rural communities that have developed strategic plans to achieve sustainable development in cooperation with capacity building skills delivered through the Economic Action Programs.

Objective 2.4

Timber volume offered (million cubic feet):

The preparation and advertisement for sale (Gate 4 completed) of timber, including all convertible products, which have not been previously advertised for sale.

Livestock forage (thousand animal unit months):

The amount of sheep, goat, cattle, and horse grazing use billed in the current fiscal year.

Minerals nonenergy/energy operations processed (operations)

The processing of all minerals nonenergy and energy operations including:

- Bonded nonenergy operations: the number processed for which reclamation bonds were required.
- Nonbonded nonenergy operations: the number processed that did not require a reclamation bond, such as Plans of Operations under 36 CFR 228.A for which bond requirements were waived, Notices of Intent, or free use mineral material permits for the public.
- New energy operations, including those conducted under reserved and outstanding rights, that require environmental analysis.

Minerals nonenergy/energy operations administered to standard (operations):

The administration of all minerals nonenergy and energy operations, including bonded nonenergy operations to a level that ensures compliance with operating plans and energy operations and including those conducted under reserved and outstanding rights to a level that ensures compliance with operating plans.

Objective 2.5

Forests and grasslands initiating or completing new land and resource management plan (LRMP's) or revisions (number):

New plans or plan revision activities are initiated or completed through integrated interdisciplinary planning and are guided by regulations for the National Forest Management Act (NFMA). The need to change an existing LRMP is determined by an evaluation of the effectiveness of current direction and consideration of desired future conditions of national forests and grasslands.

Scheduled monitoring reports completed (number):

Monitoring and evaluation reports document the monitoring activities and evaluate their significance at two organizational levels: national forest/grassland and region. Monitoring activities are categorized as (a) implementation monitoring to determine if LRMP decisions were implemented as designed, (b) effectiveness monitoring to determine if prescribed measures functioned as envisioned, and (c) validation monitoring to determine if the assumptions used in planning or decision making, above the project level, are valid. Monitoring activities include those specified in LRMP monitoring plans, in addition to monitoring of ecosystem conditions consistent with the Criteria and Indicators for Sustainable Forest Management.

Objective 2.6

Enforcement Capability (number of patrol days):

Routine patrols of NFS lands ensure a safe environment for the public and employees and the protection of natural resources. Patrols are conducted by agency law enforcement personnel and are enhanced by implementation of 547 cooperative agreements with State and local law enforcement agencies.

Investigations conducted (number):

Includes internal and external investigations related to the use and management of NFS lands and property conducted in compliance with applicable guidelines set forth in the President's Council on Integrity and Efficiency "Quality Standards for Investigations."

Objective 2.7

Boundary line located and maintained (miles):

Boundary lines that are located and marked, as well as maintained to agency standard, for all NFS property lines, including boundaries of all special management areas located on NFS lands.

Cases resolved to provide and protect public access (number):

Includes the number of rights-of-way acquisitions, trespass, encroachment, and other actions resolved. Rights-of-way cases include the number of road and trail right-of-way easements acquired or resolved through other lands activities or by cooperative effort. These activities coincide with Categories I, II, and III on the existing annual Rights-of-Way Acquisition Report (FS-5400-25 4/92).

Special use permits administered to standard (number):

Special use authorizations administered to standard are in compliance with the terms and conditions of the authorization and Forest Service policy. At a minimum, the use must be under current authorization; must be in compliance with applicable health and safety laws, regulations, and Forest Service policy; and must have fees that have been determined and collected.

Objective 2.8**Road Condition Rating Index (change):**

Includes the amount of change in a composite index consisting of the following indicators:

- Roads without critical deferred maintenance needs (percent)
- Roads open to all intended traffic (percent)
- Accident frequency on roads managed and maintained for passenger cars
- Bridges inspected as scheduled (percent)
- Average Bridge Sufficiency Rating

The change in road condition rating index will be planned for and measured against a baseline established for FY 2000.

Facilities maintained to standard (number):

Forest Service facilities used for recreation, research, fire, administrative, and other purposes require annual and deferred maintenance to meet health and safety requirements. Refer to section 8 of the FY 2001 budget justification for further details.

Capital improvements completed (number):

Facilities capital improvements include new construction, alteration of an existing facility to change the function, and expansion to change the facility's capacity to serve needs different from what was originally intended.

Seasonal capacity available (million PAOT days):

The cumulative total persons-at-one-time (PAOT) days of developed facility capacity that are made available during the recreation season. This includes the capacity available to standard and the capacity available not to standard.

Trails maintained and improved (miles):

Maintenance and improvement (i.e., reconstruction/construction) work on year-round system trails on NFS lands.

Appendix C

STRATEGIC PLAN GOALS AND OBJECTIVES CROSSWALK

U.S. DEPARTMENT OF AGRICULTURE AND THE USDA FOREST SERVICE (1997 and 2000 Revision)

2000 Revision USDA's Mission	2000 Forest Service Mission	1997 Forest Service Mission
<p>To enhance the quality of life for the American people by supporting production agriculture; ensuring a safe, affordable, nutritious, and accessible food supply; caring for public lands and helping people care for private lands; supporting sound sustainable development of rural communities; providing economic opportunities for farm and rural residents; expanding global markets for agricultural and forest products and services; and working to reduce hunger in America and throughout the world.</p>	<p>The mission of the USDA Forest Service is to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations.</p>	<p>To sustain the health, productivity and diversity of the land to meet the needs of present and future generations. The phrase "Caring for the Land and Serving People" expresses the spirit of this mission. Implicit in this statement is the agency's collaboration with partners as stewards of the Nation's forest and rangelands.</p>
Strategic Goals, Objectives, and Key Outcome Measures	2000 Strategic Goals and Objectives	1997 Strategic Goals and Objectives
	<p>2000 Forest Service Goals Summary <u>Goal 1: Ecosystem Health.</u> Promote ecosystem health and conservation using a collaborative approach to sustain the Nation's forests, grasslands and watersheds. <u>Goal 2: Multiple Benefits to People.</u> Provide a variety of uses, values, products, and services for present and future generations by managing within the capability of sustainable ecosystems. <u>Goal 3: Scientific and Technical Assistance.</u> Develop and use the best scientific information available to deliver technical and community assistance and to support ecological, economic, and social sustainability. <u>Goal 4: Effective Public Service.</u> Ensure the acquisition and use of an appropriate corporate infrastructure to enable the efficient delivery of a variety of uses. (Numbers in Forest Service objectives refer to the goals. Letters refer to the objectives related to the goals)</p>	<p>1997 Forest Service Goals Summary <u>Goal I: Ensure Sustainable Ecosystems.</u> This goal focuses on achieving ecosystem health and sustainability through conserving and restoring ecosystem structure, composition and processes, or ecological integrity. <u>Goal II: Provide Multiple Benefits for People within the Capabilities of Ecosystems.</u> Within the limitations of maintaining ecosystem health and conserving biological diversity, forests and rangelands will be managed to meet people's needs for uses, values, products, and services. <u>Goal III: Ensure Organizational Effectiveness.</u> An effective organization is needed to achieve the agency's mission. (Includes programmatic objectives and management initiatives.)</p>

Strategic Goals, Objectives, and Key Outcome Measures

Goal 3:

Maintain and enhance the Nation's natural resources and environment.

Objective 3.1:

Maintain the productive capacity of the natural resource base for future generations.

Key Outcome Measures:

- Manage land sustainably

Baseline: In 1999, 40% of cropland, 40% of pastureland, 30% of non-Federal rangeland, and 56% of non-Federal forest land were managed sustainably. **Target: In 2005, 45% of cropland, 45% of pasture land, 35% of non-Federal rangeland, and 57% of non-Federal forest land will be managed sustainably.**

- Prevent erosion damage on cropland

Baseline: In 1997, 112 million acres of cropland were eroding at rates that, if continued, will reduce the quality and productive capacity of the soil.

Target: In 2005, the acreage of cropland eroding at damaging rates will be reduced to 105 million acres.

- Reduce risk of fire

Baseline: 67 million acres of national forests and grasslands today face extreme risk of fire-related losses.

Target: In 2006, the acreage of national forests and grasslands facing extreme risk of fire-related losses will be reduced by 20%.

Objective 3.2:

Protect the quality of the environment.

Key Outcome Measures:

- Protect water quality and watershed health

Baseline: In 1998, the Environmental Protection Agency reported that 20% of rivers and streams and 14% of

2000 Strategic Goals and Objectives

1997 Strategic Goals and Objectives

Objective 1.c: Increase the amount of forests and grasslands restored to or maintained in a healthy condition with reduced risk and damage from fires.

Objective 1.a: Improve and protect watershed conditions to provide the water quality and quantity and the soil productivity necessary to support ecological functions and intended beneficial water uses.

Objective 1.1: Aquatic Ecosystems – Healthy, diverse, and resilient aquatic ecosystems restored and protected to maintain a variety of ecological conditions and benefits and conserve biological diversity.

Strategic Goals, Objectives, and Key Outcome Measures

lakes, ponds, and reservoirs surveyed were impaired by agriculture. But these percentages are based on waters assessed, not all waters in the Nation, and may be overstated due to variations in State assessment methods.

Target: *Design a national simulation model to estimate the amount of sediment, nitrogen, and phosphorus that agriculture delivers to all waterways in the contiguous United States. In 2001, use the model to propose targets. .*

Baseline: An estimated 272,600 animal feeding operations need assistance from USDA to implement comprehensive waste management systems.

Target: *By 2009, 272,600 animal feeding operations will have conservation systems and technologies planned or in place. .*

Baseline: By 1999, 741,000 miles of conservation buffers were installed by landowners to protect waterways.

Target: *By 2005, an additional 1 million acres of buffers will be installed to help reduce the movement of potential pollutants into America's water and air. .*

Baseline: USDA is currently establishing methods to monitor and classify watershed health.

Target: *By 2006, there will be a 20% increase in the number of restored or improved rangeland and forest land watersheds.*

Baseline: Complete information does not exist on selected wildlife and plant populations that are indicators of the success of USDA's stewardship efforts and the overall health of the Nation's environment.

Target: *By 2001, track populations of selected wildlife and plant species to gauge the effectiveness of USDA efforts and to gain a greater*

2000 Strategic Goals and Objectives

1997 Strategic Goals and Objectives

Objective 2.c: Improve the capability of the Nation's forests and grasslands to provide desired sustainable levels of uses, values, products, and services. **2.6, 2.7, 2.8, 3.3)→**

Objective 1.b: Provide ecological conditions to sustain viable populations of native and desired nonnative species to achieve objectives for Management Indicator Species (MIS)/focal species. **(1.1, 1.2, 1.3,1.5)→**

Objective 2.6: Forest Products – A sustainable yield of forest products that contributes to meeting the Nation's demands and to restoring, improving, or maintaining the forest ecosystem health.

Objective 2.7: Forage – A sustainable supply of forage on suitable and capable lands for livestock and wildlife.

Objective 2.8: Minerals – Available mineral resources that comply with environmental and health standards.

Objective 3.3: Permit Administration –Customers are satisfied with the administration of special use authorizations

Objective 1.1: Aquatic Ecosystems – Healthy, diverse, and resilient aquatic ecosystems restored and protected to maintain a variety of ecological

Strategic Goals, Objectives, and Key Outcome Measures	2000 Strategic Goals and Objectives	1997 Strategic Goals and Objectives
<p><i>understanding of the overall health of the Nation's environment. By 2006, improve trends for selected wildlife and plant populations.</i></p>		<p>conditions and benefits and conserve biological diversity.</p>
<ul style="list-style-type: none"> Enhance urban environments . <p>Baseline: In 1999, percentage of urban areas with forest cover and green space was 27.1%.</p>		<p>Objective 1.2: Forested Ecosystems – Ecological Integrity of forested ecosystems restored or protected to maintain biological and physical components, functions and interrelationships, and the capability for self-renewal.</p>
<p><i>Target: By 2006, attain a 5% increase in forest cover and green space.</i></p>	<p>Objective 3.c: Improve the knowledge base provided through research, inventory, and monitoring to enhance scientific understanding of ecosystems, including human uses, and to support decisionmaking and sustainable management of the Nation's forest and grasslands.</p>	<p>Objective 1.3: Rangeland Ecosystems – Healthy, diverse, and resilient rangeland ecosystems restored and protected to maintain robust riparian systems, a variety of ecological conditions and benefits, and biodiversity.</p>
<ul style="list-style-type: none"> Prevent loss of wetlands . <p>Baseline: Between 1992 and 1997, net wetland losses declined from 27,000 to 24,000 acres annually.</p>		
<p><i>Target: By 2002, no net loss of wetlands.</i></p>	<p>Objective 2.e: Improve delivery of services to urban communities.</p>	<p>Objective 1.5: TE&S Species Recovery – Populations of threatened, endangered, and sensitive species will be conserved through recovery and management efforts.</p>
<ul style="list-style-type: none"> Cleanup contaminated sites on USDA-managed facilities and lands and restore affected ecosystems and watersheds. . 		
<p>Baseline: In 1998, USDA had over 2,000 sites contaminated from the release of hazardous substances and materials.</p>	<p>Objective 4.b: Improve the safety and economy of USDA Forest Service roads, trails, facilities, and operations and provide greater security for the public and employees.</p>	<p>Objective 2.4: Urban Forests – Improved urban environments and enhanced community livability through healthy landscapes.</p>
<p><i>Target: In 2006, clean up 10% of the USDA-managed facilities and lands that have been contaminated by hazardous materials.</i></p>		<p>Objective 1.4: Hazardous Substances Sites – Healthy, diverse, and resilient aquatic and terrestrial resources restored and protect through hazardous substances site response.</p>
<p>Objective 3.3: Provide multiple benefits to people from the Nation's natural resources.</p>		<p>Objective 3.1: Scientific Information – Better resource management decisions based on the best available scientific information and knowledge.</p>
<p>Key Outcome Measures:</p>		
<ul style="list-style-type: none"> Provide sustainable production levels of the wide variety of goods and services being provided by the national forests and grasslands. . 	<p>Objective 3.b: Increase the effectiveness of scientific and technical assistance delivered to domestic and international interests.</p>	
<p>Baseline: There currently are significant gaps in the data necessary to set long-term performance measures related to providing multiple benefits to people from the national forests and grasslands.</p>		

Strategic Goals, Objectives, and Key Outcome Measures

Target: In 2001, establish baseline data for the range of goods and services provided by the national forests and grasslands. By 2006, determine sustainable production levels, based on timely and valid scientific data.

- Improve the satisfaction of visitors to national forests and grasslands. .

Baseline: In 1999, user satisfaction with recreation programs and facilities was 84%.

Target: By 2006, attain a 5% increase in user satisfaction.

- Ensure that the stream of benefits from watershed protection infrastructure is maintained. .

Baseline: Nearly 2,000 small watershed areas that cover a total of 140 million acres have been developed to help prevent flooding and provide benefits of water supply and recreational opportunities. Continuation of these benefits depends on rehabilitation of the 10,000 small earthen dams that are a central feature of the watershed management infrastructure. Of these 2,200 urgently need attention.

Target: By 2010, rehabilitation will be completed on 2200 dams.

**Goal 4:
Enhance the capacity of all rural residents, communities, and businesses to prosper.**

Objective 4.1:
Expand job opportunities and improve the standard of living in rural communities.

Key Outcome Measures:

- Create or save jobs in rural areas. .

Baseline: In 1999, nonmetro unemployment was 4.4%, which was

2000 Strategic Goals and Objectives

Objective 2.b: Improve the capability of wilderness and protected areas to sustain a desired range of benefits and values.

Objective 1.c: Improve the capability of the Nation's forests and grasslands to provide desired sustainable levels of uses, values, products, and services.

Objective 2.a: Improve the capability of the Nation's forests and grasslands to provide diverse, high quality outdoor recreation opportunities.

1997 Strategic Goals and Objectives

Objective 2.1: Recreation – Quality recreation experiences with minimal impacts to ecosystem stability and condition.

Strategic Goals, Objectives, and Key Outcome Measures

.2% higher than metro unemployment.

Target: *By 2005, the spread between nonmetro and metro unemployment will be cut in half.*

Baseline: In 1999, 74,379 jobs were created or saved through USDA financing of businesses in rural areas.

Target: *In 2005, create or save 93,000 rural jobs.*

- Increase homeownership in rural areas.

Baseline: In 1999, 75.4% of rural residents owned their home.

Target: *In 2005, homeownership among rural residents will be 76%.*

Baseline: In 1999, 55,941 rural residents received USDA financial assistance to purchase a home of their own.

Target: *In 2005, provide credit for a home purchase to 68,000 rural residents.*

- Provide safe, drinking water to rural residents.

Baseline: In 1997, 7% of rural households had drinking water reported as not safe to drink.

Target: *By 2005, the percentage of rural households with unsafe drinking water will be reduced to 6.5%.*

Baseline: In 1999, 748,000 rural people were connected to public water for the first time.

Target: *By 2005, connect 843,000 rural people to public water for the first time.*

2000 Strategic Goals and Objectives

1997 Strategic Goals and Objectives

Objective 3.a: Better assist in building the capacity of Tribal governments, rural communities, and private landowners to adapt to economic, environmental, and social change related to natural resources.
(2.3, 2.5) →

Objective 2.3: Heritage Resources – Protected and restored heritage resources that are available for the education and use of current and future generations.

Objective 2.5: Economically healthy and diversified rural communities operating under strategic plans for sustainable development.

**Strategic Goals, Objectives, and
Key Outcome Measures**

2000 Strategic Goals and Objectives

1997 Strategic Goals and Objectives

Objective 4.2:
Ensure the neediest rural residents
and communities have equal access to
the USDA programs that will help
them succeed.

Objective 2.d: Increase accessibility
to a diversity of people and members
of underserved and low-income
communities to the full range of uses,
values, products, and services.

Key Outcome Measures:

- Assist the neediest rural
communities.

Baseline: In 1999, 612 assisted
communities successfully applied for
non-USDA financial assistance.

***Target: In 2005, the number of
communities assisted with non-
USDA financial assistance will be
800.***

Baseline: In 1999, 247 communities
located in persistent-poverty rural
counties received financial assistance
to establish or improve a system for
drinking water or waste disposal.

***Target: In 2005, the number of
communities assisted in persistent-
poverty counties will be 278.***

Baseline: In 1999, 72 cooperatives
serving persistent-poverty counties
received financial assistance to
establish or improve the local electric
service.

***Target: For 2005, the number of
cooperatives assisted in persistent-
poverty counties will be maintained.***

Baseline: In 1999, 83 cooperatives
serving the 700 counties experiencing
out-migration received financial
assistance to establish or improve the
local electric service.

***Target: For 2005, the number of
cooperatives assisted in counties
experiencing out-migration will be
maintained.***

**Strategic Goals, Objectives, and
Key Outcome Measures**

2000 Strategic Goals and Objectives

1997 Strategic Goals and Objectives

**Goal 5: Operate an efficient,
effective and discrimination-free
organization.**

Objective 5.1: Ensure that USDA provides fair and equitable service to all customers and upholds the civil rights of its employees.

Key Outcome Measures:

- Conduct civil rights impact analyses of all USDA regulations to assess disparate impacts on underserved customers. .

Baseline: In 2000, civil rights impact analyses were conducted on all regulations.

Target: Maintain 100% civil rights impact analyses of all USDA regulations.

- Provide full and equal access to USDA programs in a discrimination-free environment. .

Baseline: In 2001, 20 percent of USDA programs underwent civil rights compliance reviews.

Target: Every major USDA program is reviewed no less than every 5 years.

- Establish in every agency effective outreach programs that target underserved customers. .

Baseline: In 1999, each USDA agency created a plan to reach out to underserved customers.

Target: In 2001, each agency will have acted on their outreach plan and experienced a substantial increase in minority participation in USDA programs.

- Ensure timely resolution of program and equal employment civil rights complaints. .

Objective 2.d: Increase accessibility to a diversity of people and members of underserved and low-income communities to the full range of uses, values, products, and services.

Objective 4.d: Improve the skills, diversity, and productivity of the workforce.

Objective 4.e: Ensure equal opportunity in employment practices.

Objective 4.f: Provide appropriate access to NFS and ensure nondiscrimination in the delivery of all USDA Forest Service programs.

Objective 3.d: Broaden the participation of less traditional research groups in research and technical assistance programs.

Management Initiative 1: Workforce Management—An innovative, people-oriented work environment and workforce that is representative of society as a whole. (4.d, 4.e.)

Strategic Goals, Objectives, and Key Outcome Measures

Baseline: In 1998, processing times were 243 days for program complaints and 348 days for employment complaints.

Target: *By 2001, reduce processing time to 180 days or less for both program and employment complaints.*

Objective 5.2: Improve organizational productivity, accountability and performance.

Key Outcome Measures:

- USDA will have the information systems needed to allow customers to securely and confidently share data and receive services electronically. .

Baseline: Although USDA agencies presently make many documents available on-line, customers, for the most part, cannot file or submit information to USDA electronically.

Target: USDA will have a secure electronic filing and retrieval system for the Risk Management Agency (by the end of 2001) and the Farm Services Agency, the Natural Resources Conservation Service and Rural Development (by the end of 2002) that will enable customers to file all required paperwork electronically and access all current publications over the Internet. All USDA agencies will make products and services available online, as practicable, by the end of 2003.

- USDA will have a financial information system that can produce auditable financial statements and provide reliable and useful information for decisionmaking. .

Baseline: In 1999, the Department could not provide a set of financial statements that passed the scrutiny of an independent audit, meaning its financial data systems could not provide reliable data for decisionmaking.

2000 Strategic Goals and Objectives

Objective 4.a: Improve financial management to achieve fiscal accountability.

Objective 4.a—Improve financial management to achieve fiscal accountability.

1997 Strategic Goals and Objectives

Management Initiative 4: Financial Management—A sound financial system that supports resource decisions with timely, accurate information and financial expertise.

Management Initiative 4: Financial Management —A sound financial system that supports resource decisions with timely, accurate information and financial expertise.

Strategic Goals, Objectives, and Key Outcome Measures	2000 Strategic Goals and Objectives	1997 Strategic Goals and Objectives
<p>Target: In 2003, the Department will receive a clean audit of its financial statements and have a financial information system in place to provide reliable and useful information for decisionmaking.</p>	<p>Objective 4.b: Improve the safety and economy of USDA Forest Service roads, trails, facilities, and operations and provide greater security for the public and employees. (3.2, 3.4,3.5)→</p>	<p>Objective 3.2: Public Safety – A safer environment for the public and employees on NFS lands</p>
<ul style="list-style-type: none"> • USDA will have a skilled, satisfied workforce and strong prospects for retention of its best employees. . 		<p>Objective 3.4: Boundary and Title Management – NFS resources and land title are protected through conflict-free and legally defensible boundary lines.</p>
<p>Baseline: In 1999, 68% of USDA employees said that they were satisfied with their work.</p>		<p>Objective 3.5: An efficient and effective infrastructure that supports public and administrative uses of NFS lands.</p>
<p>Target: By 2005, 87% of USDA employees are satisfied with their work.</p>		
<ul style="list-style-type: none"> • <i>USDA will have an environmental management system that can produce reliable data on our environmental performance.</i> . 		
<p><i>Baseline: In 1999, internal USDA facility inspections and program reviews do not produce consistent data on environmental performance.</i></p>	<p>Objective 4.c. Improve and integrate informational systems, data structures, and information management processes to support cost efficient program delivery.</p>	<p>Management Initiative 3: Information Management – Integrated information system, data structures, and information management processes in place to support the agency's mission.</p>
<p>Target: By 2003, all USDA agencies will implement environmental management systems and publish reliable reports on the environmental performance of their facilities.</p>		<p>Management Initiative 2: Customer Service – All customers receive better service.</p>

Appendix D

Performance Measures Discontinued or Modified

This appendix shows how performance indicators in the FY 2000 Annual Performance Report have been modified or discontinued as a result of program evaluations and improvements in the performance measurement process. It shows the indicators as they are organized in the FY 2000 Report.

Objective 2.4

The following performance measure has been discontinued:

- Number of minerals nonenergy/energy operations processed

The following performance measure has been modified:

- Number of minerals nonenergy/energy operations administered to standard

It has been replaced with:

- Percent of minerals nonenergy/energy operations administered to standard

Objective 2.6

The following performance measures have been modified:

- Number of patrol days of enforcement capability

- Number of investigations completed

They have been replaced with:

- Enforcement capability

- Investigative capability

- Number of cannabis plants eradicated

Management Initiative 3.3

The following performance measures have been discontinued:

- Percent of employees who are IBM system users

- Percent of total mission critical systems tested and found to be Y2K compliant

Management Initiative 3.4

The following performance measure has been discontinued:

- Foundation Financial Information System (FFIS) implemented



United States
Department of
Agriculture

Natural
Resources
Conservation
Service

Natural Resources Conservation Service Annual Performance Report

Fiscal Year 2000



**NATURAL RESOURCES CONSERVATION SERVICE
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INTRODUCTION

The Government Performance and Results Act of 1993 mandated that each agency of the Executive Branch prepare a 5-year Strategic Plan and Annual Performance Plan and Report. The first revision of the Natural Resources Conservation Service (NRCS) Strategic Plan was completed in Fiscal Year (FY) 2000. This is the second NRCS Annual Performance Report.

Overall, performance objectives and management initiatives for the year were achieved or exceeded.

The progress that has been made can be attributed to the hard work and commitment of many people, especially at the field level with support from conservation partners such as the local Conservation Districts and State Conservation Agencies.

PERFORMANCE SUMMARY

Table 1: NRCS FY 2000 Performance

Strategic Goals and Management Initiatives	Performance Goals and Indicators	1999 Actual	2000 Target	2000 Actual
Goal 1: A healthy and productive land that sustains food and fiber production, sustains functioning watersheds and natural systems, enhances the environment and improves urban and rural landscapes.	Assist producers to plan and apply systems to protect and enhance cropland and grazing land.			
	Resource management systems applied on cropland, acres.	8,680,000*	6,000,000	10,200,000
	Cropland protected against excessive erosion, acres.	5,320,000*	4,000,000	4,100,000
	Resource management systems applied on grazing land, acres.	7,900,000*	5,800,000	10,700,000
	Prescribed grazing applied, acres.	10,200,000*	10,000,000	19,600,000
	Assist producers to plan and apply systems to protect water quality against agricultural non-point sources of pollution.			
	Nutrient management systems applied, acres	2,700,000*	2,900,000	4,300,000
	Waste management systems, planned or installed, number	6,170*	9,300	11,000
	Conservation buffers for water quality and wildlife, acres	734,000*	940,000	1,000,000
	Assist producers to plan, apply, and improve systems to manage irrigation water.			
	Irrigation water management, reduction in water applied, acre/inches	7,500,000*	7,200,000	9,100,000
	Assist local sponsors to plan and apply systems to protect watersheds against flood damages.			
	Annual flood prevention benefits, dollars	914 million	914 million	1.242 billion
	Assist resource managers to enhance forestland health and productivity.			
	Forest stand improvement applied, acres	20,000*	270,000	390,000
	Tree and shrub establishment, acres	82,000*	308,000	640,000
	Assist resource managers to plan and apply systems to protect or enhance wetlands and wildlife land.			
	Wetland creation or restoration applied, acres	270,000*	200,000	290,000
	Wildlife habitat management applied, acres	6,300,000*	3,800,000	12,300,000

* In FY 99, data for these indicators were collected at 287 sample sites and expanded to represent national performance. In FY 2000, the performance and results measurement system was implemented in all field offices.

Strategic Goals and Management Initiatives	Performance Goals and Indicators	1999 Actual	2000 Target	2000 Actual
Goal 2: Individuals and their neighbors working as effective and willing stewards of the natural resources on their property and in their communities	Assist people living in communities to describe the conditions of the land and develop plans to address their concerns. Group and Area-wide natural resource plans developed, number	N/A	2,500	2,164
Management Initiative 1: Provide high quality customer service	Treat Customers fairly and equitably. Minority clients receiving assistance, number	N/A	70,000	340,000
	Provide high quality service tailored to customer needs. Customer satisfaction:			
	Program Delivery	91%	N/A	N/A
	Service Quality	92%	93%	N/A
	Customers receiving planning and application assistance, number	630,000	581,400	547,000
Management Initiative 2: Improve quality and usefulness of NRCS information	Make available current soils data in a form that can be used as the foundation for integrated resource assessments from areas that range from a single farm to the Nation. Soil surveys available in digital form, number	366	180	237
	Customers accessing or downloading soils data, number	2,611	3,000	11,505
	Provide accurate and timely information on water supply for western water resources managers. Water supply forecasts issued	6,835	6,470	6,875
	Water users and managers utilizing information developed by the snow survey and water supply forecasting program, number	43,800	58,300	55,261
	Water users fully satisfied with usefulness of snow survey and water supply forecasting program information	98%	98%	98%
	Develop and transfer plant science technology to help solve natural resource problems. New Plant Releases	22	16	25
	Hits on PLANTS website	20,000,000	16,000,000	17,510,000
	PLANTS Website users	720,000	800,000	745,500

* In FY 99, data for these indicators were collected at 287 sample sites and expanded to represent national performance. In FY 2000, the performance and results measurement system was implemented in all field offices.

NRCS MISSION

The mission of the Natural Resources Conservation Service is:

Providing leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment.

NRCS PROGRAMS

The Soil Conservation and Domestic Allotment Act of 1935 (Public Law 74-46) established the NRCS as the Soil Conservation Service (SCS). Pursuant to Public Law 103-354, the Department of Agriculture (USDA) Reorganization Act of 1994, (7 U.S.C. 6962), the SCS became NRCS.

Conservation Operations

The four programs in the Conservation Operations account are the basic activities that support all NRCS programs and activities. **Conservation Technical Assistance (CTA)** provides the infrastructure through which NRCS is able to respond to the multitude of conservation needs across the Nation. CTA is authorized for conservation planning and application assistance to control soil erosion, improve water quality, and protect cropland, rangeland, forestland and wildlife habitat. Through CTA, NRCS provides assistance to conservation districts, develops technical standards and technical guides, conducts resources inventories, and provides assistance to individuals to plan and manage their natural resources. This basic assistance includes assessing natural resource conditions and issues and explaining the USDA programs that are available to address them. This technical assistance helps land users to assess conservation needs, consider alternative courses of action, set goals, and develop conservation plans. CTA supports the Food Security Act of 1985 as amended in 1990 and 1996. These "Farm Bills" require that NRCS determine the compliance with highly erodible land and wetlands conservation provisions of USDA program applicants. CTA also

provides assistance in implementing conservation plans and follow-up assistance to maintain the conservation system and revise it when the operator's situation changes. As a reimbursable activity under CTA, NRCS provides technical assistance to resource managers participating in programs administered by the Farm Service Agency, such as Conservation Reserve Program, Conservation Reserve Enhancement Program and Emergency Conservation Program.

The **Soil Survey** and the **Snow Survey and Water Supply Forecasting** programs develop and disseminate basic information on soil resources and seasonal water supplies and provide recommendations for managing these resources. The **Plant Materials** program develops plants and plant science technologies for conservation systems using plant materials.

Water Resources Programs

NRCS programs that focus on water resources include **Watershed Surveys and Planning, Watershed and Flood Prevention Operations, and Emergency Watershed Protection**. Water resources activities focus on restoring the health of watersheds through a comprehensive planning approach. These programs assist communities to protect watersheds from damage caused by erosion, floodwater, and sediment, and to conserve and develop water and land resources. Resource concerns addressed include water quality, opportunities for water conservation, wetland and water storage capacity, agricultural drought problems, rural development, municipal and industrial water

needs, upstream flood damages, and water needs for fish, wildlife, and forest-based industries. Planning involves assisting local sponsoring organizations to develop plans for small watersheds (not larger than 250,000 acres). Surveys include river basin studies and floodplain management studies. Watershed and Flood Prevention Operations provide technical and financial assistance to local sponsors to install watershed improvement measures. Measures may include land treatment, structural, and non-structural measures. Emergency Watershed Protection provides immediate assistance to reduce threats to life and property in watersheds damaged by severe natural events such as floods, hurricanes, or droughts, and to restore damaged sites to pre-disaster conditions.

Resource Conservation and Development

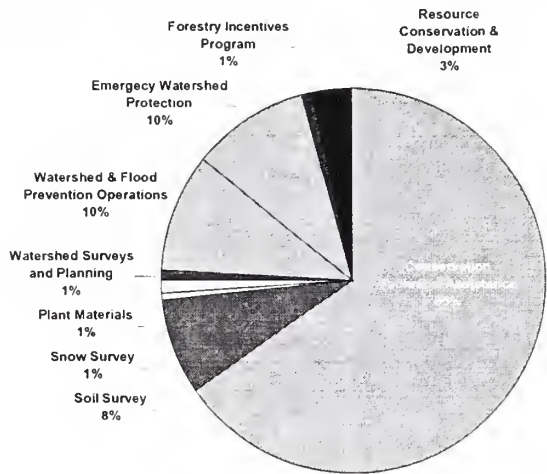
The Resource Conservation and Development Program provides technical assistance to improve the capability of state and local units of government and local nonprofit organizations to plan, develop, and carry out programs for resource conservation and development.

Financial Assistance Programs (Farm Bill Programs)

Since passage of the 1996 Act, the Secretary of Agriculture has assigned to NRCS the responsibility for administering a number of programs that provide both financial and technical assistance. The largest of these, the **Environmental Quality Incentives Program**, provides technical, financial and educational assistance to address priority natural resource concerns identified at the local level. These programs also include three that are primarily single purpose: **Wetlands Reserve Program**, **Wildlife Habitat Incentives Program**, and **Farmland Protection Program**. NRCS also administers the **Forestry Incentives Program**, which is not derived from the 1996 Farm Bill. All of these programs help participants plan and apply conservation to the land and provide financial assistance or incentives.

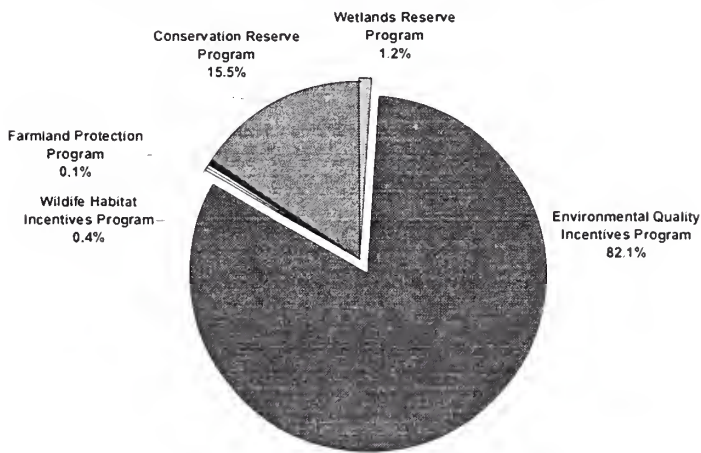
NRCS FISCAL OBLIGATIONS

Figure 1: NRCS FY 2000 Discretionary Funds (% of total)



Discretionary Funds: NRCS receives appropriations from a variety of legislative sources. While nearly two-thirds of the agency's funding is authorized by Public Law 74-46, there are a number of smaller appropriations that round out the agency's capacity to carry out its natural resource conservation mission.

Figure 2: NRCS FY 2000 Mandatory Funds (% of total)



Mandatory Funds: These funds are associated with cost share programs and are derived from the Commodity Credit Corporation as directed by the Congress. The Conservation Reserve Program (CRP) represents technical assistance only as the program is administered by the Farm Services Agency, which is responsible for the financial assistance components and rental payments.

FY 2000 PERFORMANCE REPORT

Overall, NRCS met or exceeded key performance targets for FY 2000. In some cases, targets were exceeded significantly. In those cases, analysis has been conducted to determine the causes of high performance and determine whether it can be sustained.

Strategic Goal 1: A healthy and productive land that sustains food and fiber production, sustains functioning watersheds and natural systems, enhances the environment, and improves urban and rural landscapes.

Performance Goal: Assist producers to plan and apply systems to protect and enhance cropland and grazing land.

PERFORMANCE

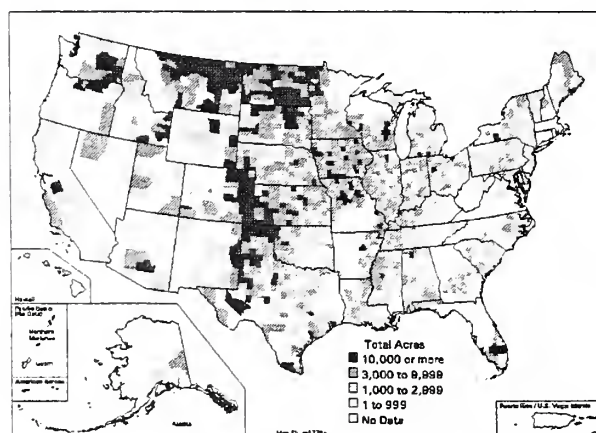
Resource management systems applied on cropland:

Target: 6 million acres

Actual: 10.2 million acres

Analysis: Target was exceeded by 70 percent. Fiscal year 2001 target is 11,000,000 acres.

Figure 4: Cropland Resource Management Systems Applied, fiscal year 2000



Targets for FY 2001 have been raised as supported by the analysis. In the few cases where the target was not achieved, an explanation is provided in the text of the report.

PERFORMANCE

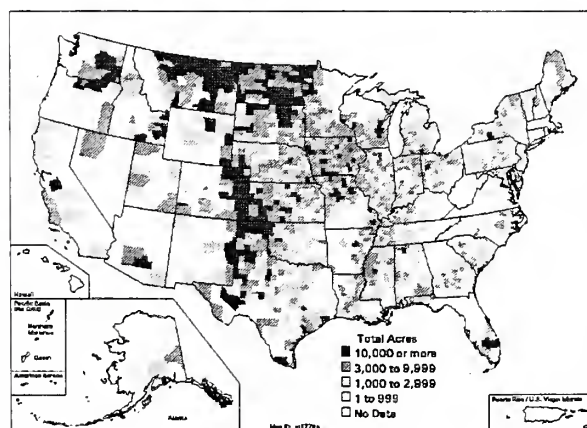
Cropland protected against excessive erosion:

Target: 4,000,000 acres

Actual: 4,100,000 acres

Analysis: Target was exceeded. Target for FY 2001 is 5,000,000 acres.

Figure 5: Cropland Protected Against Excessive Erosion, fiscal year 2000



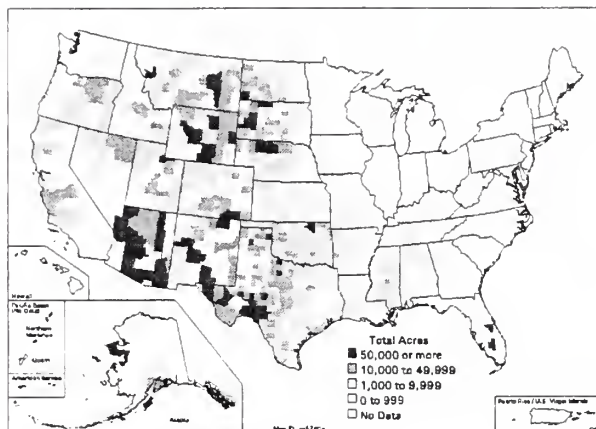
Resource management systems applied on grazing land:

Target: 5,800,000 acres

Actual: 10,700,000 acres

Analysis: Target was exceeded by 85 percent. Fiscal Year 2001 target is 11,000,000 acres.

Figure 6: Grazing Land Resource Management Systems, Fiscal Year 2000



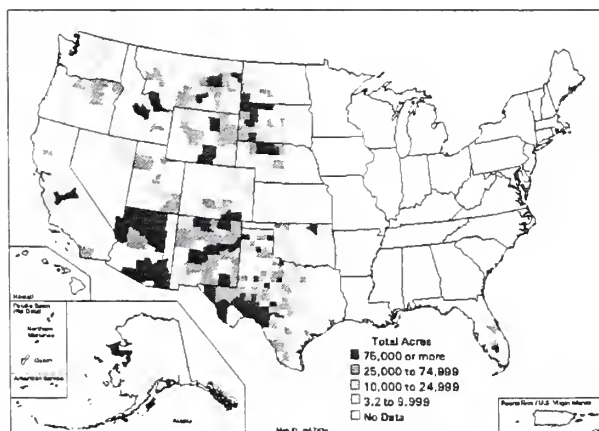
Prescribed Grazing:

Target: 10,000,000 acres

Actual: 19,600,000 acres

Analysis: Target was exceeded by almost 100 percent. This performance measure will not be targeted in fiscal year 2001, as the focus will be to get Resource Management Systems applied on grazing lands and not just a single practice, prescribed grazing.

Figure 7: Prescribed Grazing Applied, Fiscal Year 2000



Since targets for all indicators were exceeded, the performance goal has been achieved.

Performance Goal: Assist producers to plan and apply systems to protect water quality against non-point sources of pollution.

PERFORMANCE

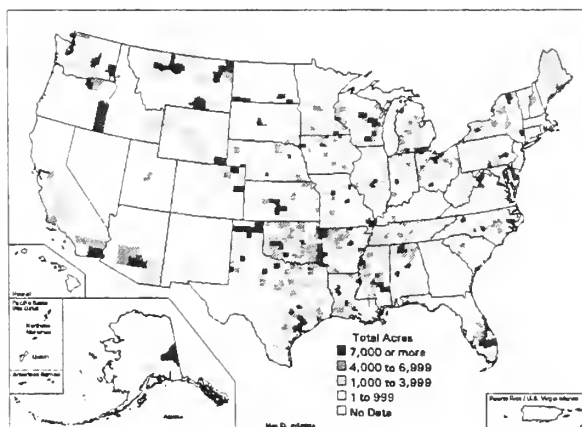
Nutrient management systems applied:

Target: 2,900,000 acres

Actual: 4,300,000 acres

Analysis: The target was exceeded by nearly 50 percent. The target for FY 2001 is 5,000,000 acres.

Figure 8: Nutrient Management Systems Applied, Fiscal Year 2000



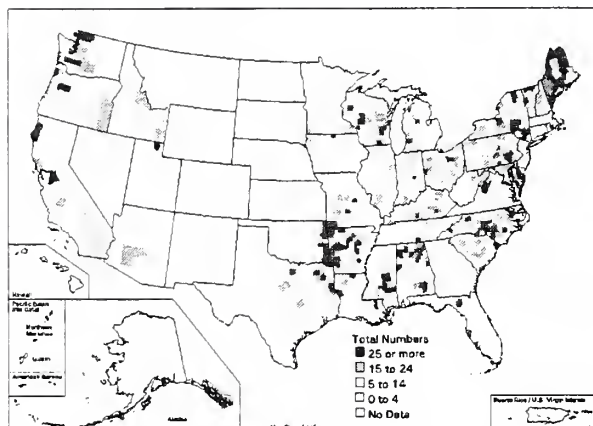
Waste management systems planned or installed.

Target: 9,300

Actual: 11,000

Analysis: Target was exceeded by 18 percent. The target for fiscal year 2001 will be 11,000.

Figure 9: Waste Management Systems or Installed, Fiscal Year 2000



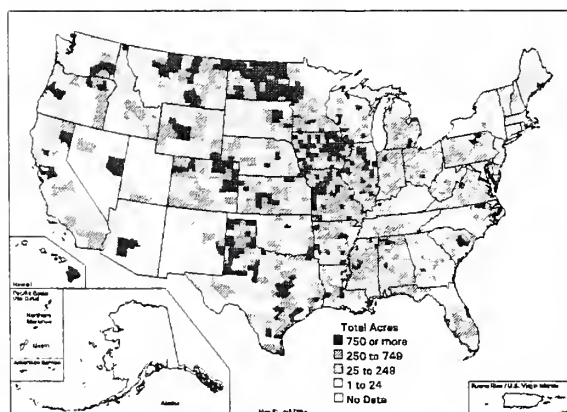
Conservation buffers for water quality and wildlife:

Target: 940,000 acres

Actual: 1,000,000 acres

Analysis: Target was exceeded by six percent. The definition of the indicator has been refined for fiscal year 2001 and the target set at 250,000 acres.

Figure 10: Conservation Buffers Applied, Fiscal Year 2000



Targets for all performance indicators were exceeded. Performance goal was achieved.

Performance Goal: Assist local sponsors to plan and apply systems to protect watersheds against flood damage.

PERFORMANCE

Annual flood prevention benefits:

Target: \$914,000,000

Actual: \$1,242,000,000

Analysis: Target was exceeded.

The Performance goal was achieved for FY 2000.

Performance Goal: Assist resource managers to enhance forestland health and productivity.

PERFORMANCE

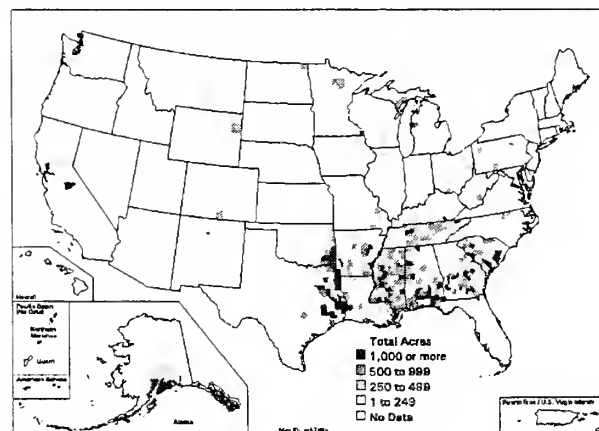
Forest stand improvements applied:

Target: 270,000 acres

Actual: 390,000 acres

Analysis: Target was exceeded by more than 40 percent and has been raised by 30,000 acres for fiscal year 2001.

Figure 11: Forest Stand Improvement Applied, Fiscal Year 2000



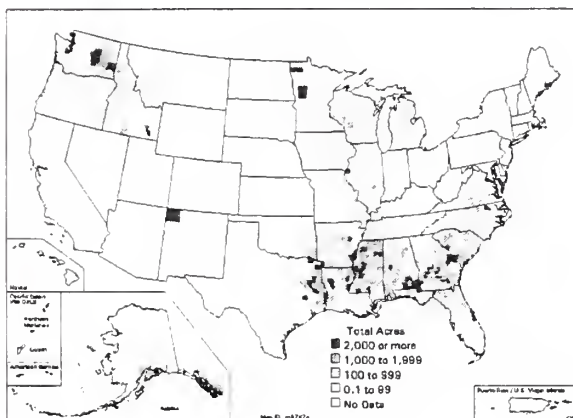
Tree and shrub establishment:

Target: 308,000 acres

Actual: 640,000 acres

Analysis: Target was exceeded by more than 100 percent. The fiscal year 2001 goal will not be raised because of emphasis on other targets.

Figure 12: Tree and Shrub Establishment, Fiscal Year 2000



Performance goal for forestland health and productivity was achieved.

Performance Goal: Assist producers to plan, apply and improve systems to manage irrigation water.

PERFORMANCE

Irrigation Water Management, reduction in water applied:

Target: 7,200,000 ac/in.

Actual: 9,100,000 ac/in.

Analysis: Target was exceeded by 26 percent. In fiscal year 2001, this target will be measured in acres of irrigation management systems applied rather than reduction in water applied. Goal for fiscal year 2001 has been set at 1,000,000 acres.

Performance goal for irrigation water management was achieved.

Performance Goal: Assist resource managers to plan and apply systems to protect or enhance wetlands and wildlife land.

PERFORMANCE

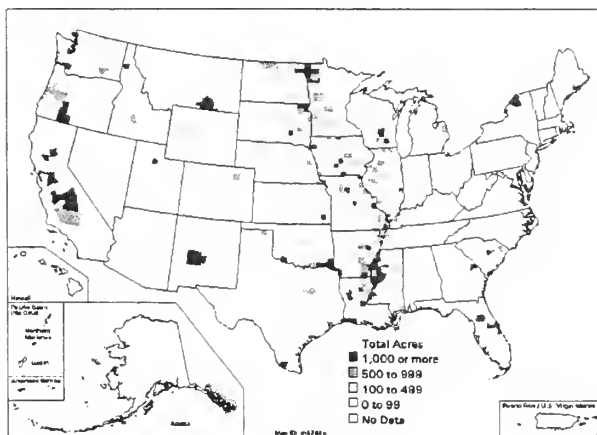
Wetland creation or restoration applied:

Target: 200,000 acres

Actual: 290,000 acres

Analysis: Target was exceeded by 45 percent. FY 2001 target has been set at 250,000 acres.

Figure 13: Wetlands Created or Restored, Fiscal Year 2000



Wildlife habitat management applied

Target: 3,800,000 acres

Actual: 12,300,000 acres

Analysis: This target was greatly exceeded and has been raised to 5,000,000 acres for fiscal year 2001.

Performance goal for wetlands and wildlife land has been achieved.

Strategic Goal 2: Individuals and their neighbors working together as effective and willing stewards of the natural resources on their property and in their communities.

Performance Goal: A strong and effective grassroots conservation partnership across the United States.

PERFORMANCE

Group and Area-wide Natural Resource Plans Developed:

Target: 2,500

Actual: 2,164

Analysis: Because the means to report on this performance goal was not implemented until late in fiscal year 2000, it is likely that the data reported do not reflect all plans developed during the year.

2000 Data: A means to record NRCS assistance with locally led natural resource planning efforts was added during the second half of FY 2000 to our Performance and Results Measurement System. The specific report is called Group and Area-Wide Plans.

Management Initiative 1: Provide high quality customer service

Performance Goal: Treat customers fairly and equitably.

PERFORMANCE

Minority Customers Assisted:

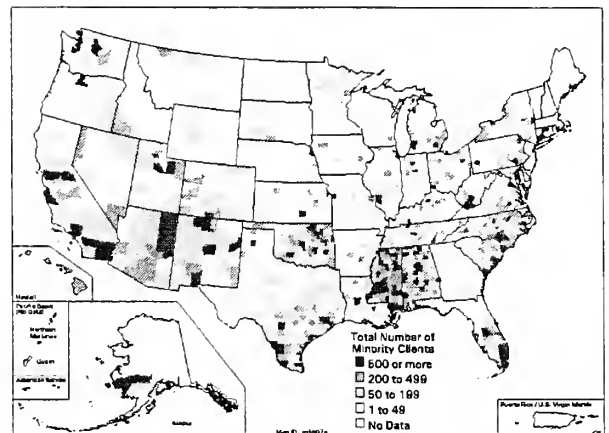
Target: 70,000

Actual: 340,000

Analysis: This target was greatly exceeded. The 340,000 number includes all assistance to individuals, groups and others. Within these categories there are twelve customer types. If we singled out the agricultural producers, the total minority customers assisted was just over 53,000. More than

70 percent of the minority customers assisted were in the student/educator category. For FY 2001, NRCS will shift to indicators that relate to direct assistance in applying conservation systems.

Figure 14: Minority Customers Assisted, Fiscal Year 2000



Description of Actions and Schedules:

Customers assisted has required some clarification in order to get more consistent reporting from all offices. A key issue is individual versus group type assistance and direct versus indirect assistance. An effort to provide training on PRMS was initiated late in 2000 and is continuing during the current year.

Performance Goal: Provide high quality service tailored to customer needs.

PERFORMANCE

Customer satisfaction, percentage

Target: 93%

Actual: NA

2000 Data: NRCS is one of the Federal agencies that is participating in the Customer Satisfaction Index Survey now being conducted through a contract with the National Quality Research Center of the University of Michigan. Fully implementing a system for customer

satisfaction measurement includes a more extensive customer assessment, through the use of both focus groups and a survey instrument, taking almost one year to complete. Achieving this is a high priority activity for the agency.

Customers receiving planning and application assistance

Target: 581,400

Actual: 547,000

Analysis: NRCS came very close to its goal for planning and application assistance. Overall NRCS assisted 3 million customers. This goal is affected by availability of cost-share or other incentive programs, the farm economy, and agency response to natural disasters.

Participation in NRCS administered cost-share programs was:

Program	Number Assisted
Forestry Incentives Program	4,065
Wildlife Habitat Incentives Program	500
Environmental Quality Incentives Program	16,479
Wetlands Reserve Program	2,103

Management Initiative 2: Improve quality and usefulness of NRCS information

Performance Goal: Make current soils data available in a form that can be used as the foundation for integrated resource assessments for areas that range from a single farm to the entire nation.

PERFORMANCE

Non-Federal lands with soil survey available in digital form, number of surveys

Target: 180

Actual: 237

Analysis: The target was exceeded.

Customers accessing or downloading soils data – STATSGO and SSURGO

Downloads/CD Orders

Target: 3,000

Actual: 11,505

Analysis: The target was exceeded.

2000 Data: Data for these items are reported through a management information system known as "Soil Survey Schedule" operated and maintained by the NRCS Soil Survey Division.

Performance Goal: Provide accurate and timely information on water supply for western water resources managers

PERFORMANCE

Water supply forecasts issued:

Target: 6,470

Actual: 6,875

Analysis: The target was exceeded.

Number of water users and managers utilizing information developed by the snow survey and water supply forecasting program:

Target: 58,300

Actual: 55,261

Analysis: 94 percent of the target was attained.

Water users fully satisfied with usefulness of snow survey and water supply forecasting program information:

Target: 98%

Actual: 98%

Analysis: The target was achieved.

2000 Data: Water supply data is provided by the NRCS Water and Climate Center in Portland, OR.

Performance Goal: Develop and transfer plant science technology to help solve natural resource problems.

PERFORMANCE

New plant releases

Target: 16

Actual: 25

Analysis: The target was exceeded.

Customers accessing or downloading plant science information (PLANTS database)

Hits on Website

Target: 16,000,000

Actual: 17,510,000

Website users

Target: 800,000

Actual: 745,500

Analysis: The target for downloading PLANTS data was exceeded. For the

number of website users, 93 percent of the target was achieved. Although the target for one of the eight indicators was not quite achieved, Management Initiative 2 is considered to have been accomplished in fiscal year 2000.

2000 Data: NRCS operates a Plant Materials Program nationally with a mission of evaluating and producing plants that can be used effectively for erosion control and other conservation purposes. There are 24 centers nationwide and a National Plant Materials Center at Beltsville, Maryland. The PLANTS database is operated and maintained at Southern University in Baton Rouge, Louisiana. These are the sources of the reported data.

ASSESSMENT OF THE FY 2000 DATA

The purpose of the annual performance report is to emphasize organizational and management accountability for program execution and results. This year's report reflects a major milestone regarding performance reporting in NRCS. The Performance and Results Measurement System (PRMS) is now fully implemented at the field office level. NRCS has invested in web-based information technology for field offices and, late in FY 2000, initiated a nationwide field office operations training effort emphasizing the Integrated Accountability System (IAS). Nearly 1.8 million records were entered in PRMS nationally, a major increase over last year.

At the end of the fiscal year, each State conservationist was required to verify and validate the performance data that were reported within his or her state and provide explanations for instances where goals were significantly not met or exceeded. The data were then analyzed by staff of the Strategic Planning and Accountability functional area. Some discrepancies were noted, however, it was determined that there was no compelling basis to discount any of the reported results. The data were used without adjustments in this report and also served as a baseline in establishing FY 2001 targets.

NRCS is continuing efforts to improve the timeliness and quality of PRMS operations and data. We are committed to producing high quality performance data in order to achieve our legislated mandates including the Government Performance and Results Act, effectively manage programs and inform Congress, the Administration, the Conservation Partnership and the public. We have begun implementation of a quality assurance strategy for PRMS that features a tiered approach of four tiers: data entry point mechanisms, quality gate mechanisms, state

and regional level controls and national level controls.

Late in FY 2000, NRCS designed and initiated a process to conduct an internal review of the PRMS by the agency's Oversight and Evaluation Staff. This review was largely carried out during the first quarter of FY 2001. Moreover, a nationwide Field Office Operations Training Program was initiated in FY 2000, which included training modules on the NRCS Integrated Accountability System with emphasis on PRMS. Steps such as these will ensure the credibility of our GPRA requirements. NRCS is also fully integrated into the U.S. Department of Agriculture GPRA process, and has contributed to the Department's Strategic Plan, Annual Performance Plan, and Annual Performance Report.

Work is underway to develop additional reporting tools that will allow tailoring of performance reporting at a local level, and for means and methods to measure performance outcomes. Quality assurance is being emphasized and tools will be implemented during the current year that will enhance data validation and verification.

FY 2001 PERFORMANCE

The FY 2001 Performance Plan reflects some changes in performance goals and indicators that resulted from the revision to the Natural Resources Conservation Service Strategic Plan (FY 2000-2005) that was completed in September 2000. The current Strategic Plan identifies four strategic goals and 14 strategic objectives. Performance indicators and targets have been added to the Performance Plan to address urban concerns, farmland protection, flooding, and drought. In addition, we have refined our performance indicators for measuring assistance to minorities by changing the focus from general type assistance to

assistance in applying conservation systems and participation in NRCS-administered cost share programs. Moreover, as a result of added emphasis on strategic objectives related to our goal, "Enhance natural resource productivity to enable a strong agricultural and natural resource sector," targets for indicators such as "resource management systems applied" on cropland and grazed land, and "cropland protected against excessive erosion" have been significantly raised over the FY 2000 level. Progress towards these targets so far this year is summarized in Table 2 on the following page.

FY 2001 PROGRESS

TABLE 2: NATIONAL FY 2001, 1ST QUARTER PROGRESS

Reported: 10/1/2000 - 12/31/2000

Performance Measure	2001 Performance Goal	Reported 1 st Quarter FY 2000	Progress 1 st Quarter FY 2001	Percent 2001 Goal Achieved	FY2001 To FY2000 Pct.
RMS Applied on Cropland (Ac.)	11,000,000	1,926,714	1,466,671	13%	76%
RMS Applied on Grazing Land (Ac.)	11,000,000	1,585,488	1,529,346	14%	96%
Conservation Systems Applied to address flooding concerns (Ac.)	1,590,000	73,844	87,605	6%	119%
Conservation Systems Applied to address water supply concerns (Ac.)	5,385,000	921,587	1,374,598	26%	149%
Cropland Protected Against Excessive Erosion (Ac.)	5,000,000	768,618	514,997	10%	67%
Erosion Control Applied on Urban and Built-up Land (Ac.)	50,000	7,044	2,291	5%	33%
Nutrient Mgmt Applied (Ac.)	5,000,000	668,164	694,212	14%	104%
Waste Mgmt Systems Planned or Applied (No.)	11,000	1,436	2,541	23%	177%
Buffers Applied (Ac.)	250,000	100,733	123,778	50%	123%
Pest Mgmt Applied (Ac.)	4,000,000	901,859	881,181	22%	98%
Irrigation Water Mgmt Applied (Ac.)	1,000,000	182,340	172,004	17%	94%
Wetlands Creation, Restoration, or Enhancement Applied (Ac.)	250,000	56,159	58,085	23%	103%
Wildlife Habitat Mgmt Applied (Upland and Wetland Habitat) (Ac.)	5,000,000	2,372,411	1,764,000	35%	74%
Forest Stand Improve. Applied (Ac.)	300,000	32,390	67,200	22%	204%
Trees & Shrub Estab. Applied (Ac.)	300,000	67,006	44,018	15%	66%
Minority Clients Applying Cons. Sys. Under NRCS Cost-Share (No.)	2,500	NP	112	4%	NA
Minority Clients Applying Cons. Sys. With NRCS Assistance (No.)	10,000	NP	266	3%	NA
Farmland Protected, FPP only (Ac.)	17,800	NP	NA	—	—
LESA Systems Developed or Updated (No.)	50	NP	NA	—	—

NA = Not Available NP = Not in Performance Plan

FY 2001 PROGRESS

TABLE 2: NATIONAL FY 2001, 1ST QUARTER PROGRESS (CONT.)

Reported: 10/1/2000 - 12/31/2000

Performance Measure	2001 Performance Goal	Reported 1 st Quarter FY 2000	Progress 1st Quarter FY 2001	Percent 2001 Goal Achieved	FY2001 To FY2000 Pct.
Community Development Projects (RC&D) (No.)	3,422	NP	NA	—	—
Watershed Infrastructure Rehabilitation Plans or Projects Installed (No.)	20	NP	0	—	—
Watershed Protection Structures Completed (No.)	65	NP	NA	—	—
Water Supply Forecasts Issued (No.)	6,550	0	0	—	—
New Tribal Offices Established on Reservation Land (No.)	15	NP	0	0	NA
Water users/managers using SNOTEL and Water Supply forecasts (No.)	85,000	0	0	0	0
STATSGO/SSURGO Downloads/CD orders (No.)	11,505	NA	NA	NA	NA
New Plant Releases (No.)	25	25	0	-	-
Studies Evaluated (No.)	400	NP	198	49%	NA
Written Titles (No.)	345	NP	76	22%	NA
PLANTS database unique customers (No.)	670,000	NA	NA	NA	NA
NRCS Cons. Practice. Standards that are Current (No.)	36	NP	NA	NA	NA
Soil Surveys in Digital Form (Cumulative No.)	1,220	739	987	81%	NA
Soil Survey Initial Mapping and Updating (Ac.)	24,644,319	2,976,948	2,830,823	11%	95%

NA = Not Available NP = Not in Performance Plan

PROGRAM EVALUATIONS

NRCS conducts internal reviews and evaluations through a national Oversight and Evaluation Staff. The following reviews were conducted during FY 2000; however, final reports are not complete and results will be reported in the FY 2001 Annual Performance Report:

- Quality of Conservation Planning
- Technology Delivery System
- Conservation Planning Effectiveness
- Technical Quality of Conservation Practices
- Environmental Quality Improvement
- Program Streamlining
- Wetland Reserve Program- Compatible Use Authorization
- Integrated Accountability System

MANAGEMENT CHALLENGES

The Government Accounting Office's (GAO) January 2001 update of its major management challenges and program risks for USDA did not include any challenges that are unique to NRCS. GAO reported continuing concerns about the department-level management of the USDA Service Center modernization effort.

HIGH RISK AREAS

GAO's January 2001 update of its high-risk series did not identify any high-risk areas unique to NRCS. GAO identified two government-wide concerns, strategic human capital management and information security, which NRCS is addressing in appropriate functional business plans.

REPORT PREPARATION

Only federal employees were involved in the preparation of this Annual Performance Report.

AGRICULTURAL RESEARCH SERVICE

FY 2000 ANNUAL PERFORMANCE REPORT

The Agricultural Research Service (ARS) was established on November 2, 1953, pursuant to authority vested in the Secretary of Agriculture by 5 U.S.C. 301 and Reorganization Plan No. 2 of 1953, and other authorities.

ARS is the principal in-house research agency of the U.S. Department of Agriculture (USDA). Congress first authorized Federally-supported agricultural research in the Organic Act of 1862, which established what is now USDA. That statute directed the Commissioner of Agriculture "... To acquire and preserve in his Department all information he can obtain by means of books and correspondence, and by practical and scientific experiments..." The scope of USDA's agricultural research programs has been expanded and extended more than 60 times in the 139 years since the Department was created.

The research currently performed by ARS is authorized by the Department of Agriculture Organic Act of 1862 (7 U.S.C. 2201 note), Agricultural Research Act of 1935 (7 U.S.C. 427), Research and Marketing Act of 1946 (P.L. 79-733), as amended (7 U.S.C. 427, 1621 note), Food and Agriculture Act of 1977 (P.L. 95-113), as amended (7 U.S.C. 1281 note), Food Security Act of 1985 (P.L. 99-198) (7 U.S.C. 3101 note), Food, Agriculture, Conservation, and Trade Act of 1990 (P.L. 101-624) (7 U.S.C. 1421 note), Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127), and Agricultural Research, Extension, and Education Reform Act of 1998 (P.L. 105-185). ARS derived most of its objectives from statutory language, specifically the "Purposes of Agricultural Research, Extension, and Education" set forth in Section 801 of FAIR.

The ARS mission is to conduct research to develop and transfer solutions to agricultural problems of high national priority and provide information access and dissemination to: ensure high-quality, safe food, and other agricultural products; assess the nutritional needs of Americans; sustain a competitive agricultural economy; enhance the natural resource base and the environment; and provide economic opportunities for rural citizens, communities, and society as a whole.

Verification, Validation, and Program Evaluation: ARS currently conducts a series of review processes designed to ensure the relevance and quality of its research work and maintain the highest possible standards for its scientists. This process involves customer input to help keep the research focused on the technical needs of the American food and agricultural system. Each of the approximately 1,100 research projects, which are organized into 22 National Programs, undergoes a thorough merit review before new or renewed activities are begun. All ARS employees, including the scientific workforce, are subject to annual performance reviews, and the senior scientists undergo a rigorous peer review (Research Position Evaluation System-RPES) on a 3- to 5-year cycle. These processes ensure the continuing high quality of the ARS scientific workforce.

The new National Programs focus the work of the Agency on achieving the goals defined in the ARS Strategic Plan. The research priorities for each National Program are established with extensive input from customers, stakeholders, and partners received, in part, at a series of National Program Workshops. A detailed Action Plan is developed for each National Program and it is available on the ARS home page – www.ars.usda.gov. In FY 2000, ARS began a series of National Program and program component reviews that help to ensure the quality, relevancy, effectiveness, and productivity of the work being done in each National Program. Additional information on the new ARS quality review program is available on the ARS home page – under "Scientific Quality Review." The Annual Performance Plans will also serve to keep the work of the Agency focused on achieving the goals established in the ARS Strategic Plan. The aggregate effect of these changes will be a strengthened research program and an accountability system that will measure more effectively the progress made towards achieving established goals and outcomes.

Additional information describing the key external factors affecting the ability of ARS to achieve the goals and objectives described in this report and a description of the Agency's partnerships with other Federal agencies can be found in the introduction of the ARS Annual Performance Plan. The Annual Performance Plans and Reports are also available on the ARS home page.

In FY 2000, ARS reviewed its Strategic Plan as required by GPRA. Since a transition was approaching from one Presidential Administration to the next, the decision was made to refine and update the existing Strategic Plan (1997-2002) rather than completely revise it. However, several years of experience with GPRA led us to make substantial changes in two parts of the Plan - Administrative, Programmatic, and Management: Initiative 2 (National Agricultural Library) and Initiative 3 (Creative Leadership). The Annual Performance Report for FY 2000 contains the "old" language from last year's Annual Performance Plan, but the Accomplishments and Impacts/Outcomes have been reported against the new and more relevant indicators contained in Appendix A. Next year, Appendix A will be fully integrated into both the Annual Performance Plan for FY 2002-2003 and the Annual Performance Report for FY 2001.

In January 1998, ARS requested permission from the Office of Management and Budget (OMB) "to describe specific and tangible products, steps, intermediate goals, and/or accomplishments that will demonstrate that the Agency has successfully met each Performance Measure/Goal in a given fiscal year." With OMB's concurrence, ARS has employed narrative descriptions of intermediate outcomes and indicators of progress instead of numerical metrics. The indicators listed in this Annual Performance Report represent intermediate outcomes, significant research accomplishments, and actual or anticipated impacts/outcomes of the Agency's work, which serve to measure progress during FY 2000. The research and technology transfer activities listed in this report are not all inclusive of the Agency's work. The indicators reflect, but do not adequately capture the broad range of basic research that underpins much of the Agency's work. Because of the unique nature of research, as recognized by the OMB waiver, ARS accomplishments are described using a nonnumeric narrative approach that may differ from the style and format used by most other USDA Agencies.

Only Federal employees were involved in the preparation of this report.

Strategic Goal/ Management Initiative	ARS FY 2000 Annual Performance Report	Page
Goal 1: Through Research and Education, Empower the Agricultural System with Knowledge that Will Improve Competitiveness in Domestic Production, Processing, and Marketing.	Performance Goal 1.1.1.1: Demonstrate and transfer to users integrated systems.	9
	Performance Goal 1.1.1.2: Demonstrate and transfer to users computer-based simulation models and decision-support systems.	9
	Performance Goal 1.1.2.1: Demonstrate techniques to control or eliminate postharvest insects and diseases, and increase market quality and product longevity.	10
	Performance Goal 1.1.2.2: Demonstrate technologies to control quarantine pests.	12
	Performance Goal 1.1.2.3: New and improved diagnostic tests are developed and available.	13
	Performance Goal 1.1.3.1: Demonstrate postharvest technologies that add value and improve quality.	15
	Performance Goal 1.1.3.2: Provide knowledge and technology to expand and improve the grading systems for agricultural commodities and products.	18
	Performance Goal 1.1.3.3: Demonstrate methods to measure the critical processing and end-use properties of agricultural commodities important to the agricultural marketing system and the processing industry.	20

Strategic Goal/ Management Initiative	ARS FY 2000 Annual Performance Report	Page
Goal 1: Through Research and Education, Empower the Agricultural System with Knowledge that Will Improve Competitiveness in Domestic Production, Processing, and Marketing. (Continued)	Performance Goal 1.1.4.1: Strategic alliances formed with specific foreign institutions, leading to the joint development of germplasm and value-added technologies, mutually protected through intellectual property agreements.	22
	Performance Goal 1.2.1.1: Experimentally demonstrate the production of new, improved, and alternative crops and horticultural products with potential for successful introduction and demonstrate the successful operation of aquaculture systems.	22
	Performance Goal 1.2.1.2: Experimentally demonstrate new and improved production, harvest, and postharvest handling procedures of these crops.	24
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Goal II: To Ensure an Adequate Food Supply and Improved Detection, Surveillance, Prevention, and Educational Programs for the American Public's Health, Safety and Well-Being.	Performance Goal 2.1.1.1: Demonstrate increases in productivity above current levels using sustainable technologies.	28
	Performance Goal 2.1.1.2: Demonstrate a more efficient and cost-effective use of resource inputs while increasing productivity above current levels.	31
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	Performance Goal 2.1.3.1: Collections of well-documented germplasm of importance to U.S. agricultural security are readily available to scientists and breeders for research and development.	33
	Performance Goal 2.1.3.2: Documented DNA base sequences of agricultural importance.	36
	Performance Goal 2.1.3.3: Release of improved germplasm, varieties, and breeds based on effective use of genetic resources.	38
	Performance Goal 2.1.3.4: Improve methods for identifying useful properties of plants, animals, and other organisms, and for manipulating the genes associated with these properties.	41
	Performance Goal 2.1.4.1: Make technologies available for improving productivity, safety, and quality, and the security of the agricultural production system.	43
Goal III: A Healthy and Well-Nourished Population Who Have Knowledge, Desire and Means to Make Health Promoting Choices.	Performance Goal 3.1.1.1: Indicators of function determined and related to diet and health.	51
	Performance Goal 3.1.2.1: Transfer new measurement techniques and data to users, release results of surveys, and disseminate effective nutrition intervention strategies.	52
	Performance Goal 3.1.3.1: Demonstrate improved nutritional quality.	52

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Goal IV: To Enhance the Quality of the Environment through Better Understanding of and Building on Agriculture's and Forestry's Complex Links with Soil, Water, Air, and Biotic Resources.	Performance Goal 4.1.1.1: Demonstrate concepts and on-farm agricultural technologies and management practices that maintain and enhance the environment and natural resource base.	53
	Performance Goal 4.1.1.2: Experimentally demonstrate the appropriateness of watershed-scale technologies and practices that protect the environment and natural resources.	55
	Performance Goal 4.1.2.1: Documentation of agriculture's effects on the global environment.	57
	Performance Goal 4.1.2.2: Documentation of how changes in the global environment affect agriculture.	58
	Performance Goal 4.1.3.1: Demonstrate cropland and grazingland management strategies that improve productivity and efficiency of croplands and grazinglands.	59
	Performance Goal 4.2.1.1: Risk-reduction strategies and methods transferred to the Nation's agricultural industry.	61
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	Performance Goal 4.3.1.1: Deliver integrated pest management strategies that are cost-effective and protect natural resources, human health, and the environment.	63
	Performance Goal 4.3.2.1: Demonstrate the effectiveness of integrated agricultural production systems in the improvement of natural resources and protection of the environment.	67
	Performance Goal 4.3.2.2: Provide computer-based models and decision-support systems to farmers, public agencies, and private organizations.	67
Goal V: Empower People and Communities, through Research-Based Information and Education, to Address the Economic and Social Challenges of Our Youth, Families, and Communities.	Performance Goal 5.1.1.1: Experimentally demonstrate the successful operation of small-scale production and processing systems, evaluate small scale animal production systems, and enhance high value agricultural products.	71
	Performance Goal 5.1.2.1: Make information on ARS research results and inventions available electronically via the Internet and similar resources.	71
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	Performance Goal 5.1.2.3: Research programs include information and technology transfer considerations.	73
	Performance Goal 5.1.3.1: Provide small businesses with contacts and information on the programs available from public and private sources.	73
	Performance Goal 5.1.3.2: Expand the types of agreements used by ARS and delegate signatory authority to the lowest feasible level.	74

Strategic Goal/ Management Initiative	ARS FY 2000 Annual Performance Report	Page
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Initiative 1: Support Education: "Support Higher Education in Agriculture to Give the Next Generation of Americans the Knowledge, Technology, and Applications Necessary to Enhance the Competitiveness of U.S. Agriculture".		74
Initiative 2: National Agricultural Library: "Ensure and Enhance Worldwide Access to Agricultural Information through the Programs of the National Agricultural Library (NAL)".	<p>Performance Goal 2.1.1: Implemented selection guidelines for the electronic resources to be acquired and used by NAL.</p> <p>Performance Goal 2.1.2: Expanded representation of electronic formats such as Internet resources, online databases, and digital documents in AGRICOLA and NAL's online catalog.</p> <p>Performance Goal 2.1.3: A gateway is provided to a large body of electronic information on agriculture over a network such as the Internet.</p> <p>Performance Goal 2.1.4: Demonstrate increased use of agricultural information by institutions of higher education.</p> <p>Performance Goal 2.2.1: The time for processing requests for services and delivering the information requested is further reduced.</p> <p>Performance Goal 2.2.2: The gap between the time that information is published and made available in NAL-produced databases is further reduced.</p> <p>Performance Goal 2.2.3: Expanded provision of Internet and other technology-related training programs for NAL customers.</p> <p>Performance Goal 2.3.1: Establishment of a national archive for agricultural literature that serves as a centralized storage facility for archival copies prepared by cooperators in the program.</p> <p>Performance Goal 2.3.2: Development of a program for monitoring quality of electronically archived materials to ensure that the data remain accessible.</p>	<p>75</p> <p>75</p> <p>75</p> <p>75</p> <p>75</p> <p>76</p> <p>76</p> <p>76</p> <p>76</p>
Initiative 3: Creative Leadership: Promote Excellence, Relevance, and Recognition of Agricultural Research through Creative Leadership in Management and Development of Resources, Communications Systems, and Partnerships with Our Customers and Stakeholders.	<p>Performance Goal 3.1.1: The annual performance plan is delivered on time.</p> <p>Performance Goal 3.1.2: Meet REE deadlines for submission of material for inclusion in the Coordinated Research Agenda.</p> <p>Performance Goal 3.1.3: Annual conferences of public and private individuals are convened to discuss major researchable issues in agriculture and to articulate approaches to addressing these problems.</p> <p>Performance Goal 3.1.4: Rapid responses to crises.</p> <p>Performance Goal 3.2.1: Written policies and guidance to facilitate implementation of the Civil Rights program.</p>	<p>77</p> <p>77</p> <p>77</p> <p>77</p> <p>78</p>

Strategic Goal/ Management Initiative	ARS FY 2000 Annual Performance Report	Page
Initiative 3: Creative Leadership: Promote Excellence, Relevance, and Recognition of Agricultural Research through Creative Leadership in Management and Development of Resources, Communications Systems, and Partnerships with Our Customers and Stakeholders. (Continued)	Performance Goal 3.2.2: Improve all aspects of the Title VII program which includes EEO training, data collection, and monitoring and evaluation.	78
	Performance Goal 3.3.1: Partnerships are established.	78
	Performance Goal 3.3.2: Procedures are implemented.	78
	Performance Goal 3.3.3: Outside support increases.	78
	Performance Goal 3.4.1: Improved customer satisfaction.	78
	Performance Goal 3.4.2: Customer needs are identified.	78
	Performance Goal 3.5.1: Criteria and priorities identified.	79
	Performance Goal 3.6.1: Identify core capability requirements and develop a scientific staff to meet long-term research needs.	79
	Performance Goal 3.6.2: Establish a database of ARS experts by discipline and research areas of expertise.	79
	Performance Goal 3.6.3: Train 1,300 postdoctoral students, and competitively select 10 percent to fill full-time positions.	79
	Performance Goal 3.7.1: Customer participation in planning processes.	79
	Performance Goal 3.7.2: Strategic Plan is developed and communicated to REE customers.	80
	Performance Goal 3.8.1: Internal and external peer reviews are conducted on all research projects before implementation.	80
	Performance Goal 3.8.2: Review of the productivity, quality, and impact of individual scientists as scheduled in the Research Position Evaluation System (RPES).	80
	Performance Goal 3.8.3: Program reviews are conducted periodically, and programs are sustained or redirected as appropriate.	80
	Performance Goal 3.9.1: Implement integrated management systems in USDA.	80
Appendix A Effectively Marshal the Diverse Capabilities and Resources of ARS.	Performance Goal 6.2.1.1: Maintain up-to-date data on customer information needs and satisfaction.	1-A
	Performance Goal 6.2.1.2: Integrate customer data into continuous refinement of operations.	1-A
	Performance Goal 6.2.1.3: Develop and improve NAL information delivery systems.	2-A
	Performance Goal 6.2.1.4: Develop an Agricultural Subject Headings thesaurus.	2-A
	Performance Goal 6.2.1.5: Increase collaboration via AgNIC (Agriculture Network Information Center).	3-A

Strategic Goal/ Management Initiative	ARS FY 2000 Annual Performance Report	Page
Appendix A Effectively Marshal the Diverse Capabilities and Resources of ARS. (Continued)	Performance Goal 6.2.1.6: Develop programs and services for previously under-served audiences.	3-A
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	Performance Goal 6.2.2.10: Refine administrative and business processes, organizational structures, and functions.	8-A
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	Performance Goal 6.3.1.1: Annual conferences of public and private individuals are convened to discuss major researchable issues in agriculture and articulate approaches to addressing these problems.	9-A
	Performance Goal 6.3.2.1: Recommendations are implemented and processes and practices are modified as appropriate.	9-A
	Performance Goal 6.3.2.2: ARS managers, supervisors, and employees are better informed on EEO/CR issues.	10-A
	Performance Goal 6.3.2.3: Recommendations resulting from the agency-wide on-site EEO compliance review are implemented.	10-A
	Performance Goal 6.3.2.4: A comprehensive, fully integrated system is installed to assist in analyzing workforce profiles, analyzing adverse impacts, and monitoring every aspect of discrimination complaint processing.	10-A
	Performance Goal 6.3.3.1: Criteria and priorities are identified.	10-A
	Performance Goal 6.3.3.2: Priority projects are proposed for funding in ARS annual building and facility request.	11-A
	Performance Goal 6.3.4.1: Identify core capability requirements and develop a scientific staff to meet long-term research needs.	11-A
	Performance Goal 6.3.4.2: Train postdoctoral students through the ARS Research Associate Program and competitively select 10 percent each year to fill full-time positions.	12-A

Strategic Goal/ Management Initiative	ARS FY 2000 Annual Performance Report	Page
Appendix A Effectively Marshal the Diverse Capabilities and Resources of ARS. (Continued)	Performance Goal 6.3.5.1: Customer participation in planning processes.	12-A
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	Performance Goal 6.3.6.2: Review of the productivity, quality, and impact of individual scientists is conducted as scheduled in the Research Position Evaluation System (RPES).	14-A
	Performance Goal 6.3.7.1: Implement integrated management systems in USDA.	14-A
	Performance Goal 6.3.7.2: Correct in a timely manner internal control deficiencies.	15-A
	Performance Goal 6.3.7.3: Make available reliable cost accounting information.	15-A
	Performance Goal 6.3.8.1: ARS will identify and generate a comprehensive directory of organizations that serve the under-served who are potential users of ARS research.	15-A
	Performance Goal 6.3.8.2: ARS will convene a national outreach workshop that will bring together representatives of under-served populations.	16-A
	Performance Goal 6.3.8.3: In FY 2001, each ARS Area will convene Area workshops to identify researchable issues of interest to under-served populations.	16-A
	Performance Goal 6.3.8.4: In FY 2000 (using 1999 data), establish baseline data for extramural agreements, Memoranda of Understanding, and Letters of Agreement with organizations serving historically under-served populations.	16-A
	Performance Goal 6.3.8.5: In FY 2001, ARS will increase its extramural agreements to organizations which serve under-served populations by no less than 20 percent over its established (FY 1999) baseline.	16-A
	Performance Goal 6.3.8.6: In FY 2001, ARS will show an increase in the number of invitations extended to representatives of under-served populations to participate in program workshops, symposia, project/program reviews, and site/ location reviews.	16-A
	Performance Goal 6.3.8.7: In FY 2001, ARS will show an increase in the number of research collaborations and technology transfer activities focused on meeting the special needs of this target population.	16-A
	Performance Goal 6.3.8.8: In FY 2000, ARS will inform all senior managers and SYs of their roles and responsibilities under the outreach plan.	17-A
	Performance Goal 6.3.8.9: In FY 2001, ARS will expand access to research information by the historically under-served organizations.	17-A
	Performance Goal 6.3.8.10: ARS will expand outreach efforts to interest under-served students in agriculture/food science.	17-A
	Performance Goal 6.3.8.11: ARS will work with educational institutions and community-based organizations serving target populations to identify barriers and develop strategies to get information to under-served populations.	17-A

GOAL I: Through Research and Education, Empower the Agricultural System with Knowledge That Will Improve Competitiveness in Domestic Production, Processing, and Marketing.

Analysis of Results: This goal is the focus of much of ARS' research related to production agriculture. Under Goal I, 70 Indicators are aligned under 12 Performance Goals. Because of the unique and dynamic nature of research, several Indicators were added or modified in this Report that did not first appear in the Annual Performance Plan for FY 2000. This was done to ensure that significant accomplishments that were not anticipated last year were reported. While it is not possible to report research accomplishments numerically, the progress projected in all 62 Indicators was completed or substantially completed during FY 2000.

OBJECTIVE 1.1: Strengthen Competitiveness: "Enhance the competitiveness of the U.S. agriculture and food industry in an increasingly competitive world environment."

STRATEGY 1.1.1: Cost-effective agricultural production systems: Develop new knowledge and integrated technologies for more efficient and economically sustainable agricultural production systems of all sizes.

PERFORMANCE GOAL 1.1.1.1: Demonstrate and transfer to users integrated systems.

Indicators:

During FY 2000, ARS will incorporate into the "Decision Evaluator for the Cattle Industry (DECI)" model for use by cattlemen, new strategies and management systems to reduce feed costs for brood cows and to raise replacement heifers more economically.

ACCOMPLISHMENTS: A forage growth model was integrated into the Decision Evaluator for the Cattle Industry (DECI) and evaluated for predicting animal performance under different forage growth conditions. Natural grasslands are a valuable food resource for cattle, but producers need to utilize this resource in a sustainable manner.

IMPACT/OUTCOME: This combined DECI model provides a valuable tool to evaluate different strategies for utilizing natural and improved grasslands.

PERFORMANCE GOAL 1.1.1.2: Demonstrate and transfer to users computer-based simulation models and decision support systems.

Indicators:

During FY 2000, ARS will continue beta tests with both the new generation cotton model and GPFARM.

ACCOMPLISHMENTS: Beta tests were continued for both models. The new generation cotton model received its first full year of broad testing across the U.S. Cotton Belt, with involvement of both ARS and State Experiment Station and State Cooperative Extension Service personnel. Tests were restricted to experimental farms. GPFARM beta testing was continued and was extended to 20 operating farms and ranches of Eastern Colorado.

IMPACT/OUTCOME: Based on results of the beta tests, both models were substantially improved.

ACCOMPLISHMENTS: Validation tests of the new cotton model were suspended for 2000 because of a lack of funding. Tests from the previous year indicated considerable promise for the model to perform well as a decision-aid model across the entire Cotton Belt. Discussions are underway about the future of the model.

IMPACT/OUTCOME: The model retains much value as a potential link between precision agriculture and

prescriptive farming (i.e., after soil variability is mapped, what does one do to manage the crop?). This model is capable of making those determinations, and will find use in this application when it is fully validated.

STRATEGY 1.1.2: Postharvest control of pests: Develop postharvest technologies and processes to meet domestic needs and reduce or overcome nontariff trade and quarantine barriers caused by pests (insects, weeds, pathogens, etc.).

PERFORMANCE GOAL 1.1.2.1: Demonstrate techniques to control or eliminate postharvest insects and diseases, and increase market quality and product longevity.

Indicators:

During FY 2000, ARS will

continue efforts to understand insect resistance in corn varieties and use the information to develop new alternative pest control methodologies.

ACCOMPLISHMENTS: Avidin is a protein found in chicken egg white that is toxic to insect pests that attack grain. Scientists in the Biological Research Unit (BRU) of Grain Marketing and Production Research Center (GMPRC) in Manhattan, Kansas, and at Kansas State University have incorporated the gene that codes for avidin into corn. Avidin acts by binding to the vitamin, biotin, and making it unavailable to the insects. Levels that were toxic to insects showed no apparent oral toxicity to mice. Avidin has potential for controlling both field and post-harvest insect pests of cereals and the processed commodities made from cereals. In addition, BRU scientists have found a protein in potato that selectively inhibits a key component of the digestive system of corn rootworms. Incorporation of the gene into agriculturally important plants may protect them from insect pest attack.

IMPACT/OUTCOME: Dr. Karl Kramer (USDA-ARS-GMPRC Biological Research Unit in Manhattan, Kansas) and others received a U.S. Patent (S/N 08/524,051) entitled "Recombinant Chitinase and Use Thereof as a Biocide." Chitinase is an enzyme that degrades the polysaccharide, chitin, found in the guts and exoskeletons of insects and cell walls of fungi. Several crops are being genetically engineered to express a protein encoded by an insect chitinase gene in order to provide resistance to insects and fungal diseases. Biopesticides are very promising tools for the control of insect pests in grain during both production and storage that are just beginning to be developed. They are environmentally friendly and highly cost effective.

continue cooperative efforts in the development of environmentally friendly and generally nontoxic biopesticides and natural product based pesticides.

ACCOMPLISHMENTS: Scientists at the ARS Grain Marketing and Production Research Center in Manhattan, Kansas, were the first to report that avidin, a common egg protein, had insecticidal activities against beetles and moths that attack corn, wheat, rice, and other grains. Together with a biotech company, they demonstrated that cornmeal made from corn that produced avidin was resistant to insect attack.

IMPACT/OUTCOME: Corn containing avidin would have longer shelf life and require no insecticidal treatments reducing risks to human health and the environment. Farmers would benefit from the higher prices that improved quality corn would command.

ACCOMPLISHMENTS: The insecticide, doramectin, was evaluated for efficacy in controlling horn flies and ticks feeding on cattle and on horn flies developing in the manure. Oral dosing with doramectin controlled horn flies feeding on blood and immature horn flies developing in the manure of treated cattle. In addition, doramectin provided 100 percent protection against feeding by Lone Star ticks. Delivery of the insecticide in a mineral block proved to be an effective method.

IMPACT/OUTCOME: Use of doramectin in mineral blocks is an effective way for ranchers to improve animal

productivity by minimizing losses due to ectoparasites such as horn flies and ticks. This technology is being evaluated for commercial development by major animal health companies.

continue the evaluation of resistance genes and begin the establishment of molecular markers in order to accelerate the incorporation of this resistance into commercial varieties.

ACCOMPLISHMENTS: After a series of National Program Workshops, ARS revised some of its research activities to focus on areas of higher priority. Research activities under this Performance Indicator were redirected into other areas.

continue development of alternative insect pest control methodologies. Specific protection methodologies will be tested in an areawide IPM Program involving producers, grain elevator operators, and wheat mills in Kansas and Oklahoma.

ACCOMPLISHMENTS: ARS scientists in Manhattan, Kansas, and state researchers have gathered scientific data that grain elevator managers can use to thwart damage caused in stored wheat by the lesser grain borer, rice weevil, red flour beetle, and rusty grain beetle. Since the summer of 1998, Federal and State scientists in an areawide IPM effort have been monitoring insect levels and current pest management practices at 13 elevators in Kansas and 15 in Oklahoma. This is a collaborative study between major grain handling companies, Kansas State University, Oklahoma State University, and ARS. The work focuses on day-to-day elevator management practices - how these practices affect the cost and effectiveness of insect control and impact the economics of moving and storing grain. The scientists have identified three main ways to improve integrated pest management in grain elevators: (1) cooling the grain earlier in the storage season, particularly right after it enters the bin; (2) cleaning empty bins more thoroughly; and (3) fumigating wheat only when insect infestations reach unacceptable levels.

IMPACT/OUTCOME: The Kansas-Oklahoma areawide project is one of several ARS programs developed in response to USDA's Integrated Pest Management Initiative. As a result of the project, by 2002 researchers will have developed an integrated pest management program for wheat stored at elevators. Research data collected during the areawide IPM study substantiate that the recommendations to improve IPM in stored grain is cost-effective. Stored grain insects cost the U.S. wheat industry about \$500 million annually thus, using the recommended tactics offered by the project would result in a considerable savings .

ACCOMPLISHMENTS: Reducing the use of pesticides to control household insects requires increased knowledge of when and where to apply treatments that will produce the most effective results. A spatially-based system for monitoring insect pest distributions and precision targeting of treatment was developed. Customized programming, coupled with Geographic Information Systems (GIS) software provided a simple process of entering spatially-referenced data, determining pest distributions, identifying areas for treatment, documenting the amount of pesticide used and the reductions in pest populations. The use of this precision targeting system has been documented in retail stores and hospitals.

IMPACT/OUTCOME: The value of this research was recognized by EPA, DoD, and DoE with a Pollution Prevention Project of the Year Award. The software was delivered to DoD, Armed Forces Pest Management Board, and is in use by the U.S. Army for tick control, turf insect management, weed management, and fire ant management. The Navy uses this system for control of pests on aircraft carriers. The software is available to the public through the ARS website and is being used by three commercial pest control companies.

evaluate various commodity treatments for control of postharvest decay of citrus, apples, potatoes, and other crops.

ACCOMPLISHMENTS: After a series of National Program Workshops, ARS revised some of its research activities to focus on areas of higher priority. Research activities under this Performance Indicator were redirected into other areas.

determine the tolerance of various major varieties of tangerines/hybrids and round orange citrus types marketed as fresh fruits treated with low dose irradiation and conduct preliminary investigations to determine the response of methyl jasmonate for reducing peel injury to grapefruit due to irradiation exposure.

ACCOMPLISHMENTS: This project was not initiated due to the retirement of the responsible scientist whose position was not subsequently filled.

study the effects of heat/long-term controlled atmosphere quarantine treatment of pears and apples on fruit quality. Complete the insect mortality efficacy testing of this treatment to assure that it provides adequate quarantine security for U.S. trading partners.

ACCOMPLISHMENTS: ARS scientists at Wenatchee and Yakima, Washington, determined that fruits increased in firmness and in soluble solids/tritratable acidity ratios after treatment. This treatment also suppressed storage scald and decay. Efficacy tests were conducted against the codling moth, apple maggot, and plum curculio. A 4-hour treatment at 44 degrees C, followed by CA-cold storage, resulted in complete mortality of these pests.

IMPACT/OUTCOME: The treatment provided good quality fruit with higher firmness and sweeter taste than untreated fruit. This assures that quality will not be compromised in the development of new quarantine treatments and provides an alternative to conventional methods.

PERFORMANCE GOAL 1.1.2.2: Demonstrate technologies to control quarantine pests.
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Indicators:

During FY 2000, ARS will

expose commodities to new fumigants at various concentrations to determine their potential as alternatives to methyl bromide. Fruit and nuts will be infested with an appropriate postharvest insect pest, treated, and evaluated as to efficacy and phytotoxicity.

ACCOMPLISHMENTS: Scientists at the ARS laboratory in Fresno have identified several fumigants that have potential as replacements for methyl bromide. Of these, sulfuryl fluoride used at very low doses and short treatment times was very effective against navel orangeworm, Amyelois transitella, and diapausing larvae of the codling moth, Cydia pomonella.

IMPACT/OUTCOME: These results show that sulfuryl fluoride is a suitable replacement for the existing methyl bromide quarantine treatment presently used on export walnuts destined for the European Union (EU). The treatment could be implemented without additional capital investment. Its use would maintain the U.S. walnut export market in the EU that will otherwise be jeopardized with the loss of methyl bromide.

investigate different sorption substrates for their ability to trap methyl bromide in an effluent gas stream. Those considered promising will be further investigated to determine their ability to sorb and desorb methyl bromide under various temperature and relative humidity conditions.

ACCOMPLISHMENTS: Scientists at the ARS laboratory in Fresno have looked at several substrates for adsorbing methyl bromide from an airstream and found that activated carbon is the most sorbent material and that activated carbon derived from coconut shells is superior to activated carbon obtained from peat or petroleum. The moisture content of the airstream had only a minor effect on the amount of methyl bromide that could be sorbed onto a given amount of activated carbon.

IMPACT/OUTCOME: These results are valuable because they verify that experiments conducted under a CRADA at the Fresno lab to develop a working system to sorb methyl bromide were conducted on the most

efficient substrate tested for that purpose. The results of this testing also validate the building of working commercial units at the Dallas/Ft. Worth International Airport and by a major strawberry shipper in Watsonville, California.

*test the new Mediterranean fruit fly attacking strain of parasite, *B. arisanus* in field cage evaluations in Guatemala and Mexico in preparation to transferring the parasite to APHIS for use in those countries. Assistance will be provided to APHIS for developing colonization and mass rearing procedures.*

ACCOMPLISHMENTS: Scientists at the ARS Pacific Basin Agricultural Research Center developed an improved strain of the Mediterranean fruit fly (Medfly) egg parasite *F. arisanus*. Field surveys of coffee fields in Hawaii indicated that this parasite was the most abundant natural enemy of the pest in coffee and field tests and confirmed that it was capable of suppressing Medfly populations.

IMPACT/OUTCOME: ARS transferred the laboratory-adapted strain of *F. arisanus* to APHIS and it now has it in culture in Guatemala. The parasite will be available for release there to suppress Medfly and other fruit fly species as part of the program to protect U.S. agriculture from Medfly arriving in the U.S. from Central America.

PERFORMANCE GOAL 1.1.2.3: New and improved diagnostic tests are developed and available.

Indicators:

During FY 2000, ARS will

continue the investigation of near infrared (NIR) as a tool for mosquito analysis. The species determination capabilities of the instrument will be verified and its ability to detect the presence of malarial organisms within the mosquito will be evaluated. Such information will provide the first rapid mosquito analytical method available, and save millions of dollars in time and effort worldwide.

ACCOMPLISHMENTS: This technique has proven useful for age-grading and identifying species of mosquitoes that carry malaria. However, the technique cannot determine if individual mosquitoes are carrying the malarial organisms. The technique has also been shown to differentiate species of stored grain insects, parasitoids, and to age-grade flies.

IMPACT/OUTCOME: This simple, rapid, and nondestructive technique provides a means to rapidly determine the species and age of pest insects. This information can then be used to implement appropriate control or quarantine strategies.

evaluate the potential of the semi-automated microplate assay, blot assay, and other assays that can be used to detect and monitor pesticide resistance in insects.

ACCOMPLISHMENTS: Scientists at the Grain Marketing and Production Research Center have identified strains of lesser grain borer, a destructive pest of grain, that shows extreme resistance to the fumigant phosphine, and they have developed strategies to isolate the genes responsible for this resistance. The cytochrome C oxidase gene known to be involved in phosphine resistance has been cloned, a necessary step in developing quick molecular assays for resistance.

IMPACT/OUTCOME: Phosphine is the primary tool for control of stored-grain insects but insect to it is an emerging threat in stored product insect pest protection. The lesser grain borer has recently spread northward, becoming a severe pest of stored grain in previously unfested areas. This research will result in identification of DNA markers that can be assayed in a high-throughput microplate platform for rapid detection of resistance using dead insects or even insect parts which will provide the grain industry with much needed technology to manage the pest problem.

cooperate with the grain industry in Kansas and Oklahoma in using detection technology for monitoring the level of insect infestation in wheat to improve quality through the application of a variety of insect control measures.

ACCOMPLISHMENTS: Scientists at the ARS Grain Marketing and Production Research Center conducted research to measure the movement of stored-product insect pests in and around food processing and storage facilities. Using a two-part program consisting of (1) a grid of pheromone traps and contour mapping to visualize insect distribution and (2) pheromone stations that mark and release insects that can then be recaptured in other locations, the researchers were able to successfully identify major sources of insects at a pet food manufacturing plant.

IMPACT/OUTCOME: Sanitation efforts targeted at the major pest source have reduced insect density in other areas of the facility and reduced the potential for product infestation and the need for chemical intervention. This technology has broad application to a variety of food and feed manufacturing and processing plants throughout the country.

begin studies to determine the influence of insect movement behavior and response to pheromones on the implementation and interpretation of pest insect monitoring programs.

ACCOMPLISHMENTS: In a cooperative research program with industry, ARS scientists at the Grain Marketing and Production Research Center, Manhattan, Kansas, initiated experiments to measure the movement behavior of stored-product insect pests in and around food processing and storage facilities. A two part program was developed that uses (1) a grid of pheromone traps and contour mapping to visualize insect distribution and (2) pheromone stations that mark and release insects that can then be recaptured in other locations to determine the distance and direction of pest movement.

IMPACT/OUTCOME: This approach was used to identify a major source of insects at a pet food manufacturing plant. Pheromone trap catches indicated areas of high insect density and recapture of marked insects indicated which area was a major source of insects in other parts of the facility. Sanitation efforts targeted at this major pest source have reduced insect density in other regions of the facility and have reduced the potential for product infestation and the need for chemical intervention.

determine the optimal density of McPhail traps or others for detecting or delimiting Mexican fruit fly outbreaks. This will be accomplished by conducting research to test the effective distance at which an adult fly would be at risk of capture by a McPhail trap.

ACCOMPLISHMENTS: Experiments were run in citrus orchards and on native host plants in mountainous areas to test trap distribution, fly dispersal, and effects of habitat on Mexican fruit fly capture in McPhail traps from native and released sterile populations. Habitat and weather were identified as key factors affecting fly dispersal and optimal trap distribution.

IMPACT/OUTCOME: Logistics and the economics of trapping systems suggest that the current system of placing traps in host trees in most areas of south Texas is the best strategy rather than concentrating on trap distribution distances.

develop and test a long lasting lure containing a new synthetic attractant for efficacy in citrus orchards. Bait stations will continue to be improved and tested with emphasis on the Mexican and Mediterranean fruit fly.

ACCOMPLISHMENTS: A gelled toxic bait suitable for use in bait stations was developed, tested for periods up to 5 months, and found to be equal or better than torula yeast bait that must be replaced weekly.

IMPACT/OUTCOME: A commercial company in South Carolina has designed a cheap, hinged station that can be stacked into compact units, which is currently in production for experiments. This station is light enough so a field worker can carry up to 100 stations. The bait is packaged in a modified foil covered plastic

cup (similar to those used for condiments and jellies) that snaps into the station.

transfer to APHIS recombinant antigen-based diagnostic tests for equine piroplasmosis.

ACCOMPLISHMENTS: ARS scientists in Pullman, WA, developed recombinant antigen based diagnostic tests for hemoparasites (U.S. Patents #5,798,219 & #5,643,737) including tests for anaplasmosis caused by *Anaplasma marginale*, an ehrlichial pathogen of cattle, sheep and goats and equine babesiosis caused by *Babesia equi* and *Babesia caballi*. These tests have been transferred to industry and to NVSL-APHIS in the case of equine babesiosis. USDA approval of the anaplasmosis diagnostic test is expected early in 2001.

IMPACT/OUTCOME: The development of the anaplasmosis test enabled Canadian scientists to identify the disease in their country and to determine its epidemiology. Prior to the availability of this test, Canada was thought to be anaplasmosis-free, preventing export of U.S. cattle carrying anaplasmosis to Canada. A collaborative project with APHIS is planned to determine the epidemiology of anaplasmosis in the U.S. Similar collaborative projects are being established to test the true status of equine babesiosis in the Southern U.S.

validation of a live animal test for scrapie in sheep.

ACCOMPLISHMENTS: ARS scientists at Pullman, Washington, developed the first practical live animal test for scrapie and the techniques for identifying pre-clinically infected sheep over the age of 18 months at slaughter. This technique uses a biopsy from the third eyelid and detects an abnormal prion protein by immunohistochemical methods. This technique has been transferred to USDA-APHIS-VS and the antibodies made commercially available. Through collaborative research with the National Animal Disease Center (Ames, IA), Washington State University (Pullman, WA), APHIS, MAFF (United Kingdom) and Utah State University (Logan, UT), ARS scientists published stage 2 OIE (Office of International Epizootics) validation of the third eyelid test. A collaborative project has been developed with APHIS to complete stage 3 OIE validation of this test.

IMPACT/OUTCOME: The third eyelid test is the first practical and reliable live animal test for pre-clinical diagnosis of scrapie. This test will be crucial for epidemiological screening of infected herds worldwide and will provide significant protection to the U.S. sheep industry.

develop methods for rapidly identifying avian influenza viruses and infections by different avian influenza virus strains.

ACCOMPLISHMENTS: ARS scientists at Athens, Georgia, are establishing a DNA sequence database for various subtypes of avian influenza virus and developing molecular methods using heteroduplex mobility assay to quickly identify the subtypes of avian influenza virus.

IMPACT/OUTCOME: The heteroduplex mobility assay will allow quick identification of influenza isolates in real time when an outbreak occurs as opposed to the slower method of DNA sequence identification. It will also allow better understanding of the biological and molecular events that result in a shift in virulence among avian influenza strains and provide a sensitive method to compare unknown isolates to a reference standard. This assay will allow rapid and cost-effective large-scale screening of many different influenza viruses and provide crucial information on the epidemiology of emergent virus strains for the U.S. poultry industry.

STRATEGY 1.1.3: Measurement of product quality and marketability: Improve quality, uniformity, value, and marketability of commodities and other agricultural products.

PERFORMANCE GOAL 1.1.3.1: Demonstrate postharvest technologies that add value and improve quality.

Indicators:

During FY 2000, ARS will

transfer a food product database to users for measuring total dietary fiber in foods.

ACCOMPLISHMENTS: Preliminary data has been accumulated, in cooperation with the USDA Food Safety Inspection Service Eastern Laboratory, on the rapid prediction of total dietary fiber by near-infrared reflectance spectroscopy in dried, de-fatted frozen and shelf-stable meals. Results indicate the feasibility of a spectroscopic approach to this problem. In addition, sampling strategy has been developed for the collection of near-infrared spectra from fresh homogenized samples. Continuation of the project is awaiting the results of an FSIS committee on establishing priorities for ARS/FSIS collaborative projects.

IMPACT/OUTCOME: The development of a successful spectroscopic method to analyze dietary fiber in fresh, homogenized, microwavable meals would decrease the time required for analysis of dietary fiber, by the FSIS and food industry laboratories, from 5 days to approximately 30 minutes.

scale up the enzymatic retting process for commercial development using fiber flax and seed flax straw to produce high and consistent staple length flax/linen fibers tailored for use by specific industries.

ACCOMPLISHMENTS: A building at the USDA-ARS Cotton Quality Research Station, Clemson, South Carolina, was identified for a pilot-plant cleaning system. An agreement was signed with the Department of Agricultural and Biological Engineering, Clemson University, to develop the system based on existing designs. Development of the system is underway.

IMPACT/OUTCOME: The U.S. is the biggest user of linen (derived from flax) in the world, but all of the fiber is imported. As a first step in developing a domestic flax industry, this research is establishing procedures to generate a clean, uniform, reliable product.

continue to update the information in the Stored Grain Advisor software and expand coverage to include corn in addition to wheat. A new version of the software will also be developed that is more applicable to storage conditions and problems found in large concrete grain elevators.

ACCOMPLISHMENTS: A new version of the Stored Grain Advisor (SGA) called SGA Pro was developed for use by commercial grain storage managers. The users select weather data files for their locations and inputs information about bin size, bin wall material, types of grain, aeration fan size, types of aeration controllers, initial grain temperature and moisture, storage data, and expected ship date. SGA Pro can predict insect densities for five species of stored grain pests, as well as the number of insect damaged kernels to expect with time. It also predicts the effects on insect populations of various control methods such as treatment with phosphine, controlled atmospheres, aeration, and various insecticides. The economic consequences of various management options are also provided to the user.

IMPACT/OUTCOME: SGA Pro is being field tested as a key component of the areawide integrated pest management project that is being conducted in grain elevators located in Kansas and Oklahoma. This project applies a systems approach to manage grain quality as it moves from the farm to various markets. If proven successful in this field trial, the SGA Pro will be offered to grain handlers nationwide to serve as a cost effective tool for controlling insect pests and improving the quality of U.S. grain.

continue to cooperate with various industry partners to develop more effective insect controls and provide information linking the insect trap catch data to the economic impact of specific levels of infestation.

ACCOMPLISHMENTS: In cooperation with insect trap manufacturers, scientists at the ARS Grain Marketing and Production Research Center developed pheromone-baited traps to monitor insect activity in food processing facilities, warehouses and retail outlets. These nontoxic traps allow the user to locate low level insect infestations before they reach intolerable levels and provide users with nonchemical alternatives for control at reduced costs.

IMPACT/OUTCOME: The use of pheromone-baited traps has become an important component of integrated pest management systems (IPM) and can reduce the dependence and costs associated with insecticide treatments. Product quality has been maintained both domestic and export markets as a result of this technology.

evaluate the application of specific insect monitoring, control, and sanitation programs at each of the areawide stored wheat IPM program test sites and evaluate the impact on wheat quality and insect populations.

ACCOMPLISHMENTS: ARS scientists in Manhattan, Kansas, and state researchers have gathered scientific data that grain elevator managers can use to thwart damage caused in stored wheat by the lesser grain borer, rice weevil, red flour beetle, and rusty grain beetle. Since the summer of 1998, Federal and State scientists in an areawide IPM effort have been monitoring insect levels and current pest management practices at 13 elevators in Kansas and 15 in Oklahoma. This is a collaborative study between major grain handling companies, Kansas State University, Oklahoma State University, and ARS. The work focuses on day-to-day elevator management practices - how these practices affect the cost and effectiveness of insect control and how they impact the costs of moving and storing grain. The scientists have identified three main ways to improve integrated pest management in grain elevators: (1) cooling the grain earlier in the storage season, particularly right after it enters the bin; (2) cleaning empty bins more thoroughly; and (3) fumigating wheat only when insect infestations reach unacceptable levels.

IMPACT/OUTCOME: The Kansas-Oklahoma areawide project is one of several ARS programs developed in response to USDA's Integrated Pest Management Initiative. As a result of the project, researchers by 2002 will have developed an integrated pest management program for wheat stored in elevators. Research data collected during the areawide IPM study substantiate that the recommendations to improve IPM in stored grain is cost-effective. The stored grain insects involved cost the U.S. wheat industry about \$500 million annually thus, using the recommended tactics offered by the project would result in considerable savings .

continue the development of the wheat end-use quality relational database.

ACCOMPLISHMENTS: Using a simple, user-friendly relational database system developed by ARS, we summarize and interpret end-use quality data of hard winter wheat breeding lines can be summarized and interpreted.

IMPACT/OUTCOME: The database system provides simultaneous assessment of multiple quality traits on a standardized scale; user specified prioritization of end-use quality traits for numerical and qualitative ratings of genotypes; tabulation of major quality deficiencies of genotypes and summarization of quality ratings for a genotype across multiple nurseries. Food manufacturers and other customers can use the information in this database to determine which varieties possess the necessary quality traits needed for making each of the products that they produce.

conduct grain drying tests to determine the energy performance of an experimental closed-loop heat pump grain dryer in cooperation with a CRADA partner and the Department of Energy. Energy performance was found to be three to four times greater than conventional high temperature batch dryers and 15 to 20 percent higher than that reported in the literature for heat pump-based grain drying, but management, automation and control of grain flow, air flow, and refrigerant flow needs improvement to sustain total system performance.

ACCOMPLISHMENTS: No further progress was made on this topic beyond the accomplishments reported last year. The project has been terminated.

evaluate the potential for development or installation of online sensing devices in a pilot elevator for automatic quality segregation of incoming grain.

ACCOMPLISHMENTS: No progress to report on this topic.

cooperate with grain cleaner manufacturers and Kansas State University research associates in reviewing the engineering design requirements for removing dockage from wheat in high capacity systems at grain export facilities.

ACCOMPLISHMENTS: No progress to report. Project was terminated.

evaluate strong and weak gluten wheat flours for frozen dough quality through fractionation and reconstitution of the major flour components, and ascertain which component causes dough weakening during proofing and baking.

ACCOMPLISHMENTS: Found that flour components from strong gluten wheats were found to have a highly positive effect on frozen dough quality, whereas weak gluten wheats had a negative effect. This demonstrated that glutenin plays a predominant role in frozen dough quality.

IMPACT/OUTCOME: Information will provide the basis for improving quality of frozen dough.

continue to refine the enzymatic "retting" process to separate flax fibers from the stem of the flax plant. ARS will provide the capability to "cottonize" the fiber, i.e., to cut it into staple lengths so that it can be processed on cotton equipment, and begin studies on the utilization of this material for cotton-linen blends.

ACCOMPLISHMENTS: New commercial enzymes and low-cost chelating agents were evaluated for effectiveness at retting. A color test method for proposed industry color standards has been written and is being considered by ASTM (American Society for Testing Materials). Fabrics with specific blend levels of cotton and flax fiber were evaluated cooperatively with the University of Georgia, to establish specific properties with the blending of flax into the cotton.

IMPACT/OUTCOME: The U.S. is the biggest user of linen (derived from flax) in the world, but the fiber is all imported. As a second step in developing a domestic flax industry, this research is establishing standards of quality against which the quality of the product can be judged, and pricing determined.

PERFORMANCE GOAL 1.1.3.2: Provide knowledge and technology to expand and improve the grading systems for agricultural commodities and products.

Indicators:

During FY 2000, ARS will

implement a new "end-use" classification and measurement scheme to be used intermittently for wheat.

ACCOMPLISHMENTS: The Kansas Wheat Commission asked ARS to develop simple, rapid, safe, and objective procedures for determining red and white wheat color class. Scientists and engineers at Manhattan, Kansas, optimized procedures that involve soaking kernels in sodium hydroxide, resulting in a rapid change in seed color that makes color classification simple and accurate.

IMPACT/OUTCOME: This color classification test is now commercially marketed and used by the wheat industry and inspectors to determine wheat color class. This simple procedure can help promote the adoption and segregation of white wheat and help expand export markets for U.S. white wheat.

continue working with the grain industry to establish an acceptable standard for red versus white classes of wheat. In addition, ARS will test the effectiveness of a modified instrument to predict the end-use performance of wheat samples and analyze important properties of other small grains, such as sorghum, rice, and oats.

ACCOMPLISHMENTS: Developed optimized procedures that makes color classification simple and accurate. This color classification test is now commercially marketed and used by the wheat industry and inspectors

to determine wheat color class.

IMPACT/OUTCOME: This simple procedure can help promote the adoption and segregation of white wheat and help expand U.S. white wheat export markets.

provide the Grain Inspection, Packers, and Stockyards Administration (GIPSA) with an experimental automatic test weight prototype and specifications for use in developing an evaluation site for automated grain inspection data collection.

ACCOMPLISHMENTS: No progress to report. Project terminated.

continue cooperation with Perten Instruments of North America to add NIR measurements of wheat to the Perten 4100 Single Kernel Characterization System (SKCS). This instrument, which will be commercially available, objectively distinguishes red and white kernels of wheat and measures the protein concentration in single wheat kernels. The NIR instrumentation can also detect the presence of internal insects in single kernels and bunted kernels in addition to providing standard SKCS measures of single wheat kernel hardness, weight, size, and moisture content.

ACCOMPLISHMENTS: The single kernel NIR system is now commercially available from Perten Instruments (SKCS 4170). Calibrations were developed to identify kernels containing large larvae and pupae, and they were installed on commercial instruments used by flour mills. Protein calibrations are currently being completed.

IMPACT/OUTCOME: This technology will help managers of storage facilities and mills make informed decisions concerning fumigation, that lead to reductions in insect damage and fragments in flour.

evaluate the potential for rapid, objective assessment of starch modification in single kernels of malted barley using physical measures similar to those used for crushing wheat for hardness classification with the Perten SKCS.

ACCOMPLISHMENTS: No progress to report. Project was terminated.

develop and combine a machine vision analysis component with Perten's 4100 Single Kernel Characterization System to increase wheat quality prediction performance. Preliminary studies have demonstrated an increase in the accuracy of hardness classification and the potential for improved flour yield predictions.

ACCOMPLISHMENTS: No progress to report. Project was terminated.

develop a machine vision-based methodology to objectively evaluate bread crumb grain in ARS bake laboratory evaluations of early generation hard winter wheat varieties.

ACCOMPLISHMENTS: ARS efforts in developing a machine vision-based methodology to objectively evaluate bread crumb grain have been temporarily suspended due to the retirement of a scientist in the Engineering Research Unit who was collaborating with the Wheat Quality Laboratory. However, a project was initiated to modify a machine vision-based methodology developed for commercial bakeries for applicable for small loaves of bread baked from an early generation of hard winter wheats.

IMPACT/OUTCOME: Success could lead to an objective grading system of bread crumb grain thereby providing objective quantifiable scores to wheat breeders.

evaluate, in cooperation with GIPSA, the capability of the FOSS Grain Check 310 to assist inspectors in grading wheat. This instrument is one of the first commercially available that uses the principles of image analysis to measure grain quality.

ACCOMPLISHMENTS: Initial and follow-up neural network based calibrations, using wheat samples supplied by GIPSA, showed the potential for machine vision separation of Dark Hard Vitreous (DHV) kernels from non-DHV wheat kernels to be approximately 85 percent correct, while certain types of visually difficult DHV kernels were not well separated.

IMPACT/OUTCOME: With rapid objective classification of DHV wheat kernels, GIPSA could improve inspector efficiency, reduce inspector variations in DHV determination in the market channel, and potentially adopt the procedure for standard market channel use and standardized definitions of DHV wheat.

develop, in cooperation with GIPSA, a knowledge base of the qualitative characteristics that define wheat defects portrayed in the Interpretive Line Slides and develop a machine vision-based inspection system to identify the Line Slide defects in wheat-based on the knowledge base of qualitative characteristics.

ACCOMPLISHMENTS: No progress to report. Project was terminated.

continue to transfer the technology that provides accurate standards for repeatable calibrations of HVI strength measurements of cotton fiber. Research will continue to improve the accuracy and repeatability of other measurements, such as fineness, maturity, color, and length uniformity.

ACCOMPLISHMENTS: A fineness-maturity tester has been developed that provides a secondary standard calibration method. The tester is being evaluated in a round-robin test in many different locations. A very diverse set of cottons was evaluated to determine what best predicts bundle (yarn) strength. The best indicator found is a ratio of fiber fineness to maturity.

IMPACT/OUTCOME: HVI (high-volume instrumentation) is universally used to measure fiber quality, but it has some unresolved issues, including proper calibrations. Currently fineness and maturity are not measured individually, but it is important that procedures be developed to do so. This information is expected to be the basis of the next generation of improved HVI calibration procedures and for adding new HVI tests for fineness and maturity.

PERFORMANCE GOAL 1.1.3.3: Demonstrate methods to measure the critical processing and end-use properties of agricultural commodities important to the agricultural marketing system and the processing industry.

Indicators:

During FY 2000, ARS will

implement a rice database to be used for the measurement of rice quality.

ACCOMPLISHMENTS: A third year of data was collected on some 300 rice cultivars. The near infrared (NIR), mid infrared (MIR) and Raman spectra are being gathered and the protein and amylose data determined. These will be added to the first two years studies which should provide an adequate database to assess end quality of rice.

IMPACT/OUTCOME: Countries which import U.S. rice use NIR to assess quality of the grain. This database will enable the U.S. to export on a level field.

evaluate near infrared transmission spectroscopy to determine quality standards for beef and pork trimmings produced from Advanced Meat Recovery System (AMRS) in cooperation with the National Meat Association and the American Meat Institute Foundation.

ACCOMPLISHMENTS: Developed a near infrared transmission method and calibration for added iron and iron/protein ratio in beef neck bone lean from AMRS and hand boned lean.

IMPACT/OUTCOME: Added iron and iron/protein ratio can be used as a quality or performance standard for bone marrow in AMRS and hand-boned final lean. Thus, the method can be used in meat processing plants to monitor bone marrow content of AMRS final lean.

continue to determine which proteins in wheat are important for specific end-use qualities and investigate the use of protein fingerprints as a means of quality identification.

ACCOMPLISHMENTS: Developed methods that allow rapid identification or fingerprinting of wheat, rice, oats, or barley cultivars in 3 minutes and objective characterization of sorghum and maize proteins in 15 minutes. Developed method to characterize high molecular weight glutenin subunits which correlate to improved bread making properties. Characterized the protein fractions from wheat and related species and correlated them to quality parameters.

IMPACT/OUTCOME: The cereal industry can use these methods for separation of cereal proteins in order to ensure identity of grain lots destined for specific end-uses. Identification of specific proteins and protein fractions may provide a means to predict end-use quality for the cereal industry.

continue to determine the role of lipids in end-use quality of wheat.

ACCOMPLISHMENTS: Continued the development of lipid extraction methods from cereal grains and processed products using supercritical fluid extraction system. The methodology will be collaboratively studied with the American Association of Cereal Chemists and the International Association for Cereal Science and Technology.

IMPACT/OUTCOME: Supercritical fluid extraction provides a much safer, faster, environmentally friendly method for determining cereal lipids. This information may lead to an internationally acceptable standardized method of lipid determination in cereal grains and processed products which has potential importance for cereal-based food nutritional labeling on a global scale.

develop the methods and technology needed to acquire NIR spectral data during flour-water-dough mixing with an instrumented 10 gram mixograph, and relate spectral data to mechanical mixing energy requirements and compositional changes during wheat flour mixing.

ACCOMPLISHMENTS: Developed a database of Fourier-Transform Infrared (FTIR) scans for proteins of known secondary structure to be used in monitoring changes in the secondary structure of gluten proteins in dough during mixing. Began evaluation of a model dough system by FTIR consisting of a mixture of water, starch and vital wheat gluten.

IMPACT/OUTCOME: Techniques and methods for the rapid, nondestructive spectroscopic monitoring and evaluation of dough rheology will ensure more accurate and efficient processing of raw materials in the baking industry.

investigate the potential use of durum wheat translocation lines for bread making.

ACCOMPLISHMENTS: By modifying the baking procedure, discovered that up to 60 percent durum flour could be incorporated in the baking formulation to produce bread with quality characteristics that were equal to or superior to bread made with 100 percent hard red spring wheat flour. In a cooperative study with other USDA scientists, tested the bread making potential of durum wheat translocation lines that contained high molecular weight glutenins from spring wheat. Project will be continued through pilot-scale milling and baking trials.

IMPACT/OUTCOME: Potential for developing a new cultivar of durum wheat that can be specifically used for both bread making and pasta.

STRATEGY 1.1.4: International technology interchange: Develop a strategy for selective international research interchange to supplement ARS technology developments and strengthen competitiveness of U.S. agriculture.

PERFORMANCE GOAL 1.1.4.1: Strategic alliances formed with specific foreign institutions, leading to the joint development of germplasm and value added technologies, mutually protected through intellectual property agreements.

OBJECTIVE 1.2: Develop new uses and products: "Develop new uses and new products for agricultural commodities, such as alternative fuels, and develop new crops."

STRATEGY 1.2.1: New and alternative crops: Develop new and alternative crops with economic and social value.

PERFORMANCE GOAL 1.2.1.1: Experimentally demonstrate the production of new, improved, and alternative crops and horticultural products with potential for successful introduction and demonstrate the successful operation of aquaculture systems.

Indicators:

During FY 2000, ARS will

develop management practices for specialist non-Apis bee pollinators for enhancing commercial production of a new avocado introduced at two groves in Ventura County, California.

ACCOMPLISHMENTS: The study of alternative pollinators is particularly important when crops are introduced into an area where the pollinating insects that co-evolved with the plant are not available. Of four commercially available pollinators (honey bee, alfalfa leaf-cutting bee, blue orchard bee, and western bumble bee) released in two avocado groves in Ventura County, California, by researchers at the ARS Logan, Utah laboratory, western bumble bees actively visited avocado flowers; however, high bumble bee prices make use of these pollinators difficult to justify at this time.

IMPACT/OUTCOME: Surveys of bees that pollinate avocado flowers were conducted at three avocado groves in Atlixco, Mexico, (the area of origin of avocado) by cooperator, Dr. Carlos Vergara (Universidad de las Americas). Data from these studies will be used to identify bee species most commonly associated with avocado pollination, with the goal of finding a more efficient and less expensive pollinator than those currently available.

improve guayule production by working with cooperators to identify strategies necessary to control annual and perennial grasses and broadleaf weeds, determine the optimum time for seed harvest, and develop methods for optimizing the yield and quality of guayule latex.

ACCOMPLISHMENTS: ARS scientists and cooperators at Texas A&M University planted guayule seed in Arizona experiments on control of grasses and weeds and optimization of production. However, the seed quality was inferior and the germination poor, so the experiment was terminated but will be repeated in the coming year.

IMPACT/OUTCOME: Due to poor seed germination, the year 2000 tests failed, therefore, no impact or outcome could be measured.

develop and release a root knot nematode resistant Habanero-type pepper. The pepper is an extremely pungent one (Capsicum chinense) that is becoming popular in the U.S. however, it is susceptible to root knot nematodes, as are all known commercial cultivars. A conventional backcross breeding procedure is being

used to move a highly effective resistance gene from a Scotch Bonnet-type germplasm line into commercial Habanero. ARS is ready to initiate the third backcross cycle, and anticipates having advanced breeding lines ready for release by the end of FY 2000.

ACCOMPLISHMENTS: The root-knot nematode resistance from Scotch Bonnet-type pepper germplasm was moved to three advanced breeding lines of Habanera-type pepper that have been released to breeders for cultivar development. In addition, the root-knot nematode resistance was moved into two bell-type pepper varieties that were released under the names "Charleston Wonder" and "Charleston Belle."

IMPACT/OUTCOME: This germplasm will reduce the amount of chemical nematicides required for pepper production and should also reduce the dependency on methyl bromide for pre-plant soil fumigation.

develop micro-quantification methods for rubber analysis so that guayule plants can be evaluated for potential performance while young instead of at least two years old.

ACCOMPLISHMENTS: A new method was developed capable of determining latex content of very small amounts of guayule plant tissue.

IMPACT/OUTCOME: The method is currently in use to evaluate guayule germplasm lines and to enhance latex processing procedures. This procedure will considerably speed up the research program. A CRADA is in place with a company to commercialize hypoallergenic latex rubber from guayule. Each year that mass production of hypoallergenic guayule latex rubber is accelerated means that millions of sufferers from latex allergy will no longer be at risk of serious reactions, even death.

begin testing rubber yield and quality from genetically engineered guayule.

ACCOMPLISHMENTS: For the first time, guayule has been genetically engineered to produce stable transformants. Three guayule genetic lines have been transformed with genes believed to be important in determining rubber yield, but will maintain the valuable hypoallergenic quality of the latex. Greenhouse plants have been successfully regenerated from the genetically engineered cells, as the first step in generating a population of transformed plants for evaluation.

IMPACT/OUTCOME: For the first time, geneticists have germplasm that has the potential to increase yield when introduced into a breeding program. Natural rubber is a strategic product for which the U.S. is entirely dependent upon imports. An enhanced guayule plant, which can produce high yields in the Southwestern U.S., will reduce the dependence upon precarious foreign sources of Hevea rubber.

plant large test plots of elite cuphea varieties in the Midwest in cooperation with farmers and 100 acres of lesquerella in the Southwest, both of which could produce oils for use in industrial products.

ACCOMPLISHMENTS: Poor seed set of Cuphea during seed production in 1999 resulted in a small harvest, and precluded the planting of large test plots of elite cuphea in 2000; however, a small test plot of an elite nonsticky, nondormant cuphea line was planted next to corn in central Illinois and harvested successfully. Two new lesquerella germplasm lines, one with increased seed oil and yield and one with tolerance to saline soils, were released. A test plot of 40 acres of lesquerella was planted in Arizona and the seed oil extracted in Nebraska for evaluation in the manufacture of industrial lubricants.

IMPACT/OUTCOME: The oil produced from Cuphea can be used as a substitute for imported palm oil for the manufacture of detergents and industrial lubricants. Field tests in 2000 demonstrated that Cuphea can be successfully grown in the Midwest as an alternative crop that can be used in rotation with soybean and corn. The new lesquerella lines will improve yields for producers and processors.

PERFORMANCE GOAL 1.2.1.2: Experimentally demonstrate new and improved production, harvest, and postharvest handling procedures of these crops.

Indicators:

During FY 2000, ARS will

develop microquantification methods for rubber analysis so that quayule plants can be evaluated for potential performance while young instead of at least two years old.

ACCOMPLISHMENTS: Microquantification methods for rubber analysis based on measuring enzyme activity were developed for evaluating small amounts of plant material. These methods can be used for evaluating small plants grown in the greenhouse or field.

IMPACT/OUTCOME: Use of these methods will allow earlier evaluation of breeding materials for rubber content, reducing the developmental time for new germplasm by almost two years and allowing evaluation of plants when maximum genetic expression is occurring without confounding environmental effects.

begin testing rubber yield and quality from genetically engineered guayule.

ACCOMPLISHMENTS: Genetically engineered guayule plants with potentially higher rubber contents were developed and plantlets increased in the greenhouse for experimental field planting in the Spring of 2001.

IMPACT/OUTCOME: These plants could potentially have more than the 10% rubber in the highest yielding lines developed by traditional breeding methods.

STRATEGY 1.2.2: New uses and products: Develop new food and nonfood uses and products from plants and animals, and new processes and other technologies that add value.

PERFORMANCE GOAL 1.2.2.1: Experimentally demonstrate improvements in processing technologies and develop new bioproducts and uses that have potential to increase demand for agricultural commodities.

Indicators:

During FY 2000, ARS will

establish the field efficacy of organic based flocculants and soil stabilizers to control irrigation induced soil erosion. NRCS, irrigators, consultants and other water users will be able to use this technology to control soil erosion using "natural" compounds that readily degrade in the environment.

ACCOMPLISHMENT: Scientists at Kimberly, Idaho, have shown that polyacrylamide (PAM) when applied at 10 parts per million the irrigation water reduced sediment losses by more than 95 percent from the furrow irrigated fields. And, in cooperation with private industry, the scientists developed a method to measure residuals to determine if PAM could pose a health effect.

IMPACT/OUTCOME: To date no residuals have been found in crop tissues or in downstream waters. PAM is currently being used on about 6 million acres.

complete development of extruded high fiber and high energy food bars using milk components for possible use in school lunch and other domestic programs.

ACCOMPLISHMENTS: Demonstrated that milk proteins may be used as part of a formulation for an extruded

high dietary fiber food bar. The milk proteins function as a binder that holds the starch components and the fiber to form a cohesive, firm and chewy product.

IMPACT/OUTCOME: This technology provides a means of increasing the amount of dairy proteins and dietary fiber that may be included in a food bar, used increasingly by United States consumers for meal replacement, improving its nutritional benefits while maintaining its palatability.

conduct research with an industrial partner through a CRADA to complete research necessary for commercialization of Zeagen corn fiber gum, a substitute for imported Arabic gum.

ACCOMPLISHMENTS: Research led to a joint patent on the new corn fiber gum technology being granted to ARS and its commercial partner on November 14, 2000.

IMPACT/OUTCOME: Having obtained a patent on the new technology, the industry partner will be able to justify expenditure of funds needed to scale up and commercialize the product. Sales of this new product will increase the value of corn fiber and provide more revenue to corn producers and wet-millers.

test and modify low oil uptake rice batter for various fried food applications and obtain a more comprehensive scientific understanding of the mechanisms of oil uptake. This will be done in cooperation with a CRADA partner.

ACCOMPLISHMENTS: A process was developed for low oil-uptake donuts formulated with wheat flour and up to 50 percent rice ingredients. They absorb 50-70 percent less oil than traditional wheat, while retaining desirable flavor and textural characteristics. Discussion is ongoing with potential CRADA partner.

IMPACT/OUTCOME: This technology meets the needs of health-conscious consumers, and could spur demand for donuts which, in turn would increase utilization of rice.

*continue to develop an improved phytase, including a reduced-cost plant produced phytase. Phytase is an animal feed additive that reduces the level of phosphorus in animal manure and protects the environment. Recent evidence linking *Pfiesteria* fish kills to runoff from animal production facilities has spurred interest in phytase as a means of helping abate future *Pfiesteria*-caused fish kills.*

ACCOMPLISHMENTS: Several modified phytases have been engineered for evaluation as improved means to reduce phosphorous levels in manure from monogastric farm animals.

IMPACT/OUTCOME: Development of an improved phytase would increase its use in animal feeds in the U.S. with subsequent reductions in phosphorous-rich runoffs from animal manures.

work with American tanneries to apply ARS technology to recover chromium in the solid waste byproducts from the tanning process. The recovered chromium is recycled back into the tanning process. Collagen which is also recovered from the solid waste has commercial value.

ACCOMPLISHMENTS: Evaluated specific protease enzyme and found that 95 percent of the available protein could be recovered from the shavings, leaving a nearly protein-free chrome cake suitable for recycling into further tanning processes. University collaborators reported on their attempt to adapt the process for production of a specific product.

IMPACT/OUTCOME: Accomplishment will benefit the leather producer and the processor of tannery wastes, and help direct landfilled waste into processes that recover valuable products from that waste. Scientists in three countries have contacted ARS concerning possible use of the technology.

demonstrate the potential of natural fiber reinforced starch foam materials by moving innovations from the laboratory to the pilot plant stage with industrial partners.

ACCOMPLISHMENTS: ARS scientists extruded a series of materials and showed that the addition of fiber increased the compressive strength above that of foams of comparable density, especially at low relative humidity, and significantly increased the axial compressive strength.

IMPACT/OUTCOME: A manuscript was prepared and sent to the cooperator, but no response was received.

execute license agreements for intellectual property rights on biobased material for synthetic skin to treat burns and wounds.

ACCOMPLISHMENTS: Working with a small biomedical business, a license for the biobased Fantesk technology was negotiated and signed.

IMPACT/OUTCOME: A new market for starch and vegetable oils was created.

commercialize guayule latex as a safe alternative to natural rubber for future production of hypoallergenic latex products by the industrial sector.

ACCOMPLISHMENTS: Developed a preliminary crop model to maximize post-harvest latex production throughout the year. Generated 10 gallons of pure latex under a trust fund with a USDA patent licensee. USDA patent licensee has begun first guayule planting for commercial nonallergenic latex production. Seed pretreatments were developed that led to successful field trials of USDA germplasm under a specific cooperative agreement with the Agricultural Research Council of South Africa.

IMPACT/OUTCOME: Guayule latex is a safe alternative to natural rubber for production of nonallergenic latex products by the industrial sector in the future.

seek licensees and a CRADA partner to explore the potential for developing large-scale manufacturing methods of a lightweight concrete based on wheat starch gels.

ACCOMPLISHMENTS: More than 50 national and international companies have made inquiries about the product. A CRADA was signed with a private sector partner to test starch-based lightweight concrete in a decorative siding product. The tests indicated that the starch-based concrete needed a higher compressive strength to meet code requirements. The CRADA partner suggested other possible niche markets that might benefit using starch-based lightweight concrete.

IMPACT/OUTCOME: The potential impact of this research will depend on whether a company can be found for exploiting starch-based concrete to fill a niche market. Success would create new markets for U.S. wheat producers.

investigate the viability of Fantesk technology in food applications, metal working fluids, and medical applications in cooperation with industrial CRADA partners. Potential areas of commercialization will be pursued.

ACCOMPLISHMENTS: Work with two small businesses under separate CRADA's led to the development of (1) lotions and barrier cream formulations which were subjected to clinical testing by the cooperator and (2) breadings for use in seafood products. Successful execution of the projects led to licensing of the technology by both of the cooperators.

IMPACT/OUTCOME: Potential new markets for starch and vegetable oils derived from corn and soybeans.

investigate the viability of utilizing cereal proteins as components for blends in the production of new biodegradable plastics in cooperation with the Biotechnology and Development Corporation.

ACCOMPLISHMENTS: Working under a CRADA agreement, protein-based blends were produced which possessed mechanical properties similar to petroleum-based thermoplastics. The materials could be processed using standard commercial equipment. A patent application for the technology has been submitted with the CRADA partner and licensing of the technology is being pursued.

IMPACT/OUTCOME: Potential new industrial markets from proteins obtained from wheat and soybeans.

investigate dry grind ethanol byproduct streams such as "quick corn fiber" and distillers dry grains as alternative feedstocks for new functional (nutraceutical) food products.

ACCOMPLISHMENTS: ERRC, NAA, ARS scientists in Wyndmoor, Pennsylvania, found that high-valued nutraceuticals, such as cholesterol-lowering phytosterols and functional food gums could be generated as co-products from current or slightly-modified dry-grind ethanol processes. Previously, these valuable co-products could only be produced with more capital intensive wet-milling processes.

IMPACT/OUTCOME: These results demonstrate the possibility of expanding the range and value of co-products produced during production of fuel ethanol at small, less-costly, dry-grind ethanol facilities. The sales of these co-products can lower the cost of producing fuel ethanol and bring more revenue to small processors and their communities.

develop and evaluate a new low cost method for extraction of valuable pectin from surplus U.S. citrus processing residues.

ACCOMPLISHMENTS: Developed a new method for rapid extraction of pectin using microwave heating and used it to extract pectin from orange peels more quickly and with superior quality compared to pectin produced by conventional commercial means.

IMPACT/OUTCOME: Research demonstrated that pectin production costs could be reduced without sacrificing quality of the final product. Adoption of the method by commercial producers will lower pectin costs, making it more competitive with other food gums and thereby expanding its applications and use.

complete development of a new, lower cost extrusion method to produce biodegradable packaging and edible films from pectin, corn starch, and glycerol.

ACCOMPLISHMENTS: Demonstrated that blends of pectin/starch/glycerol could be extruded into materials having mechanical properties comparable to those obtained from the more expensive solution casting method.

IMPACT/OUTCOME: Results demonstrate how edible, pectin-based films can be formed cost-effectively with equipment currently used by manufacturers of non-edible films. Adoption of the fabricating technique by producers will create new markets for pectin and thereby increase demand for pectin and U.S. citrus peel.

process up to 75,000 pounds of lesquerella seed to produce crude and refined oil, lesquerolic acid, and meal for industrial partners to use in developing industrial markets.

ACCOMPLISHMENTS: 24,000 pounds of lesquerella seed was harvested and cleaned. Process equipment was installed at a new small processing facility for lesquerella, milkweed, and other alternative crops.

IMPACT/OUTCOME: An economic and research plan to commercialize lesquerella was initiated.

GOAL II: To Ensure an Adequate Food Supply and Improved Detection, Surveillance, Prevention, and Educational Programs for the American Public's Health, Safety and Well-being.

Analysis of Results: This is the focus of much of ARS' research related to food safety and the security of the U.S. agricultural production system. Under Goal II, 72 Indicators are aligned under 9 Performance Goals. Because of the unique and dynamic nature of research, several Indicators were added to the Report that did not first appear in the Annual Performance Plan for FY 2000. This was done to ensure that significant accomplishments that were not anticipated last year were reported. While it is not possible to report research accomplishments numerically, the progress projected in all 71 Indicators was completed or substantially completed during FY 2000.

OBJECTIVE 2.1: Secure food and fiber system: Maintain a safe and secure food and fiber system that meets the Nation's needs now and in the future.

STRATEGY 2.1.1: Plant and animal production systems: Improve efficiency of agricultural production systems to ensure the security of the Nation's food, fiber, and energy supply.

PERFORMANCE GOAL 2.1.1.1: Demonstrate increases in productivity above current levels using sustainable technologies.

Indicators:

During FY 2000, ARS will

develop diverse sources of sunflower germplasm with economically important traits and adaptability to U.S. growing conditions, and investigate genetic inheritance of these traits leading to improvements in production performance.

ACCOMPLISHMENTS: Using wild perennial sunflower as a germplasm source, scientists transferred genes for broomrape resistance into intermediate breeding lines. These intermediate sunflower lines were provided to cooperators in Spain for development into cultivated, broomrape-resistant sunflower.

IMPACT/OUTCOME: A new race of broomrape, a parasitic disease of sunflower, has emerged in Southern Europe and Turkey, and no current sunflower hybrids have resistance. The release of sunflower germplasm with resistance to this new virulent race of broomrape provides an important weapon to sunflower breeders in countries where the disease threatens the future of the sunflower industry. The germplasm ensures that U.S. farmers will have a source of resistance to this parasitic pest in the event of its accidental introduction into the U.S.

develop sunflower germplasm with altered fatty acid composition to provide improved vegetable oils for the sunflower industry.

ACCOMPLISHMENTS: ARS researchers developed and released female and male sunflower lines that can be used to produce the NuSun sunflower hybrid. The new sunflower has an oil composition with improved health benefits and excellent stability under frying conditions.

IMPACT/OUTCOME: The release of female and male sunflower germplasm lines with the NuSun trait will allow seed companies to develop NuSun hybrids with precise fatty acid composition for planting by farmers. Sunflower hybrids produced by these lines have excellent disease resistance, high yield, and acceptable oil content, all of which will benefit both producers and processors.

expand and diversify the ARS sunflower collection through additions of under-represented species from Mexico and the U.S.

ACCOMPLISHMENTS: An ARS botanist conducted an exploration in Arizona, Utah, and Nevada, collecting several wild sunflower species. Two of the species, *Helianthus anomalus* and *Helianthus deserticola* had been seriously under represented in the ARS sunflower germplasm collection.

IMPACT/OUTCOME: The addition of these new accessions to the sunflower germplasm collection at Ames, Iowa, will provide a potential new source of genes for drought tolerance in sunflower.

develop the means to improve the safety of peanuts by developing germplasm with improved resistance to aflatoxin contamination and acceptable agronomic performance.

ACCOMPLISHMENTS: ARS scientists and cooperators at the University of Arizona conducted large scale field screening of over 100 peanut breeding populations for resistance to aflatoxin contamination, and identified 17 lines that showed at least a 50 percent reduction in aflatoxin contamination.

IMPACT/OUTCOME: The results demonstrated that reduction of aflatoxin contamination in peanut is possible through selective breeding with available peanut germplasm. This will stimulate additional breeding efforts that are likely to reduce aflatoxin contamination even further.

develop alternative weed management systems for irrigated peanuts with less dependence on herbicides.

ACCOMPLISHMENTS: ARS scientists and cooperators at the University of Georgia developed alternative weed management systems in peanut production. One system involves cultural practices: narrow rows to improve peanut's competitive ability; and stale seedbed tillage, which reduce numbers of weed seeds in soil before planting. A second system is strip-tillage, wherein densities of some weeds were less than in conventional tillage, but inability to control other weeds actually increased dependence on herbicides. Another accomplishment was alternative applications of dinitroaniline herbicides in reduced tillage systems and leadership in the effort to amend herbicide registrations to allow these new uses.

IMPACT/OUTCOME: Peanut growers who use narrow rows and stale seedbeds reduce the need for commonly used late season herbicides. Cost of implementing these alternatives is minimal since no additional inputs are required and, depending on weed species composition, growers save \$20/A by using less herbicide. Strip tillage simplifies crop production and spreads workloads through the season, which compensates for higher weed control costs. In this latter system, growers were warned to expect difficulties in managing Texas panicum and common bermuda grass.

develop peanut germplasm with improved resistance to peanut root-knot nematode, a serious pathogen.

ACCOMPLISHMENTS: ARS researchers developed an advanced generation peanut breeding line with a high level of resistance to the peanut root-knot nematode.

IMPACT/OUTCOME: The peanut root-knot nematode is a significant economic pathogen of peanut in the Southeast. This is the first discovery of peanut genetic material with resistance to both the root-knot nematode and tomato spotted wilt virus, another serious disease of peanut in this region.

develop improved lines of soybean for yield and seed quality traits and release them to the public.

ACCOMPLISHMENTS: ARS scientists released a high yielding experimental soybean line, LG96-1797. Researchers also identified several high protein experimental lines and evaluated primitive soybean germplasm, finding large differences in isoflavone contents among lines.

IMPACT/OUTCOME: Soybean line LG96-1797 was derived from exotic germplasm not found in the pedigrees of current commercial cultivars. Although this line does not exceed the yield of present high-yielding cultivars, its value lies in the genetic diversity it adds to soybean production. The identification of experimental lines with high protein or variability in isoflavones, thought to be dietary protectants in human health, indicates the potential for improvement of these two quality factors.

transfer new knowledge to the food and feed crop pollination industry to enhance food production through improved pollination of cranberries, blueberries, sunflowers, legume forage, oil seed crops, pears, apples,

cherries, almonds, and other orchard crops by bee pollinators - alfalfa leafcutting bees, blue orchard bees, western bumble bees, sunflower leafcutting bees, southeastern blueberry bees, alkali bees, hornfaced bees, and mustached bees.

ACCOMPLISHMENTS: In Northern Utah, the ARS Logan laboratory demonstrated the value of the blue orchard bee for pollination of commercial cherry. Yield more than doubled compared with using honey bees. Blue orchard bee pollination was facilitated by use of a new nesting material and nest design, for which ARS has received conditional patent approval. In field trials, ARS also demonstrated the use of meadowfoam, an oil-seed crop produced in the Willamette Valley of Oregon, as a forage crop to increase populations of the blue orchard bee for use in California cherries and almonds.

In an effort to reduce 20 to 60 percent losses of bees routinely suffered by alfalfa seed producers each year, ARS entered into a collaborative research effort with BASF (formerly, American Cyanamid) directed toward the development of alternatives to methyl bromide for the management of chalk brood (a fungal disease of all bees) in commercial populations of the alfalfa leafcutting bee.

In the Walla Walla, Washington seed alfalfa region, ARS documented a dramatic one-year increase in nesting densities of the alkali bee. Hybrid onion planted adjoining an alkali bee nesting bed was used exclusively by alkali bees (alfalfa's best native pollinator) for nectar. Seed production will be evaluated this fall to determine if onion is a profitable nectar crop to supplement the needs of this bee.

Having established that the sunflower leafcutter bee is a much more efficient sunflower pollinator in cages (on seeds produced per bee basis) research, in collaboration with Pioneer Hybrid International, focused on the optimal number of bees per plant to include in each cage. Results will be used to set bee stocking rates for seed producers.

IMPACT/OUTCOME: The ARS Logan laboratory initiated a 5-year collaborative project with USDI-BLM to assess pollinator diversity patterns in the Grand Staircase-Escalante National Monument. This project will provide baseline data for monitoring ecosystem health through the use of bee pollinators as indicator species.

field test and transfer to cattle growers and others in the animal industry new knowledge on increased productivity through the use of integrated management methods for the control of gastrointestinal nematodes in pasture and range cattle.

ACCOMPLISHMENTS: ARS scientists at Beltsville, Maryland, have developed a DNA based assay to diagnose and quantitate *O. ostertagi* infections in cattle from fecal eggs. In the past, testing began on the molecular assay on fecal samples collected from cattle grazing infected pastures to validate the use of the assay under field conditions.

IMPACT/OUTCOME: Once validated, this assay will be used to identify individual members of the herd which account for the majority of parasite transmission, thus allowing for targeted parasite control programs. This assay will be used by industry scientists as a faster and more quantitative method to determine the efficacy of drug treatments for parasite control.

continue to develop and test elite, heat resistant lines of pima cotton with outstanding fiber quality, resulting in the eventual release of improved germplasm for use by breeders to produce new varieties.

ACCOMPLISHMENTS: In a collaborative effort involving USDA-ARS, New Mexico State University, and the University of California, Los Angeles, genes controlling stomatal conductance in Pima cotton have been localized in two chromosomal regions. The genes provide heat tolerance for this crop, whose yields are generally limited because of excessive heat in its growing areas.

IMPACT/OUTCOME: Pima cotton is grown on about 300,000 acres in the Southwestern U.S. and is severely limited by heat. This research provides a new method to incorporate heat tolerance in varieties much faster

than would occur otherwise. Yield increases of 25 percent or more are possible.

evaluate the effects of red plastic mulch in the field on the quality of cotton fiber. The mulch is known to alter the spectrum of light in the cotton crop canopy which results in increased fiber length. Studies in 2000 and 2001 will evaluate the utility of light change and begin to understand how this effect can be agronomically manipulated.

ACCOMPLISHMENTS: The effect of red or green mulch (which reflect colored light into the canopy) was exerted directly on cotton bolls rather than leaves. Covering bolls with aluminum foil removed the fiber-enhancing effect. Cotton fibers over red or green mulch were up to 4 mm (5/32 inch) longer, and slightly finer, than controls. The effect of green mulch indicates that reflected light onto bolls from nearby green leaves can have a major effect on fiber length.

IMPACT/OUTCOME: U.S. cotton mills utilize about 11 million bales of U.S.-produced cotton each year. Increased fiber length will greatly improve spinning efficiency in cotton mills, especially with new high-speed machinery. This trait will add greatly to the global competitiveness of both the U.S. cotton farmer and the U.S. cotton mills, which use the majority of U.S. produced fiber.

PERFORMANCE GOAL 2.1.1.2: Demonstrate a more efficient and cost effective use of resource inputs while increasing productivity above current levels.

Indicators:

During FY 2000, ARS will develop microorganisms and determine optimum conditions to preserve protein in silage to conserve forage for livestock.

ACCOMPLISHMENTS: The U.S. Dairy Forage Research Center, Madison, Wisconsin, refocused on the source of protein rather than the development of organisms. Researchers found that protein in red clover conserved in silage was utilized more efficiently than protein in alfalfa conserved in silage.

IMPACT/OUTCOME: This improvement in nitrogen efficiency applied to only the first half of lactation (when cows need more protein) reduces nitrogen excretion 1.5 ton per year for a 100 cow herd.

STRATEGY 2.1.2: Plant, animal, and ecosystems protection: Improve integrated management systems that contribute to the protection of plants, animals, and ecosystems against pests (insects, weeds, pathogens, etc.).

PERFORMANCE GOAL 2.1.2.1: Demonstrate new integrated technologies to protect plants, animals, and ecosystems.

Indicators:

During FY 2000, ARS will

*continue to monitor the resistance of insect pest populations to transgenic plants that contain the toxin gene from *Bacillus thuringiensis* (bt). This activity is part of a long-term strategy to keep transgenic pest resistant crops effective, so they can continue to be used in IPM strategies to reduce chemical pesticide use.*

ACCOMPLISHMENTS: Bt cotton has proven effective in controlling cotton bollworms. However, the potential development of resistance is a growing concern. ARS scientists at Stoneville, Mississippi, developed a more rapid and sensitive bioassay procedure to better identify cotton bollworms with resistance to Bt cotton. The bioassay requires only a minimum of five insects collected from the field to identify resistance genes. The scientists demonstrated that commercial cultivars of transgenic Bt cotton do not provide the same level of

activity against caterpillar pests since the amount of Bt present in the plant is cultivar dependent.

IMPACT/OUTCOME: The U.S. Department of Agriculture's Agricultural Research Service has been the agency responsible for conducting a Bt resistance-monitoring program in the Southern U.S. The new resistance monitoring bioassay developed by ARS is an essential tool for the resistance-monitoring program and for the early detection of Bt resistance in cotton bollworm populations from the 12 cotton-growing states located in the Southern U.S. The utility of the system has been demonstrated as reliable both abroad (cotton in Australia) and in the Southern U.S. so that alternative tactics can be used in areas where resistance to Bt transgenic cotton appears. The technology will help growers in their cultivar selections as well as providing insight into population dynamics of migratory moths in transgenic crops.

continue the five-year corn rootworm areawide IPM program in the Midwestern U.S. using attract and kill technology.

ACCOMPLISHMENTS: Corn rootworms are the targets of almost half of the insecticides used in row crops. ARS' 5-year areawide IPM program in Indiana, Illinois, Kansas, Iowa, and Texas, using an adult corn rootworm attack and kill technology, reduces corn root worm more than 70-90 percent in most of the test sites. In FY 2000, new baits and trapping systems were evaluated at the five primary sites which showed substantial Western corn rootworm population reductions across the Midwest demonstration sites. A number of corn growers have expressed interest in undertaking their own programs using the adult attracticide technology.

IMPACT/OUTCOME: A 90 percent reduction in the amount of prophylactic soil insecticide applied to U.S. corn grown in the Midwest U.S. can result in \$300 million estimated savings. The program led by ARS out of Brookings, South Dakota was initiated in 1996 with substantial partner involvement from the University of Illinois, Purdue University, Iowa State University, South Dakota State University, Kansas State University, University of Nebraska, Texas A&M, and corn growers. The team received a USDA-ARS Technology Transfer award for this National IPM program across the U.S. corn belt. Program expansion and technology transfer has been particularly significant in Kansas and Texas, thus far.

complete the five-year areawide IPM program to control codling moth on apples and pears using mating disruption in the Pacific Northwest U.S.

ACCOMPLISHMENTS: The areawide pest management for codling moth has now successfully completed its final year. The Western Region of the Nation includes 54 percent of U.S. apple production acres and 97 percent of pear production. The codling moth is the key pest of pears and apples in that area. Traditional pest control methods, chiefly multiple sprays with organophosphate insecticides, which are at-risk pesticides, have led to the development of resistant strains of codling moth, reduced populations of beneficial insects, increased secondary pest outbreaks, and increased concerns over farm worker safety. ARS scientists at Wapato, Washington have led an areawide management partnership program since 1995 across the three State area of Washington, Oregon, and California using mating disruption, sanitation, natural enemies, and early season Bt sprays. Since the beginning of the program, insecticide use has significantly declined with some orchard growers not having sprayed for codling moth or other orchard pests, a decline of as much as 70 percent - 90 percent being realized.

IMPACT/OUTCOME: In 1995, there were 68 growers and 3,109 acres (five sites) in the program. In 1999, more than 600 growers and 21,000 acres (22 sites) had entered the program. The technology has now been accepted by many growers across the region. In Washington State alone, the number of acres within and outside the program has increased from 24,000 in 1997 to more than 60,000 in 1999, and in the three state area the number of acres grew to over 125,000 in 2000 under the technology, and several thousands of acres in California and Colorado. It is estimated that the orchard growers realize a savings of \$400 per acre using mating disruption at the main tactic, since the use of the primary insecticide, Guthion, has decreased. ARS research and technology transfer partners were significant and included Washington State University, Oregon State University, the University of California, and numerous growers and consultants.

expand testing of naturally derived materials that reduce populations of blue-green algae in catfish ponds.

ACCOMPLISHMENTS: Scientists at the National Products Utilization Research Unit, Oxford, Mississippi, have selected one of several natural product-based blue-green algaecides for further testing and development.

IMPACT/OUTCOME: Potential not demonstrated.

continue developing an attractant for Asian longhorned beetle for use as a survey tool to protect urban trees and forests from infestation.

ACCOMPLISHMENTS: In the U.S., the Asian longhorned beetle (ALB) was first found infesting trees in New York in 1996 and in Chicago in 1998. If the ALB spreads unchecked into U.S. urban and forest landscapes, it could cause billions of dollars in damage to ornamental and forest trees and to the maple syrup, lumber, and tourism industries. ARS scientists at Beltsville, Maryland, have discovered and synthesized a potential attractant for the ALB. The scientists are proceeding with evaluations of the attractant to ascertain its usefulness and with pursuing a patent on the attractant.

IMPACT/OUTCOME: A useful attractant for the Asian longhorned beetle could be developed into a detection and survey tool as a means to intercept and destroy the pest, if it proves to be effective over a reasonable distance in the field.

expand testing of a new melon derived attractant for corn rootworm for use in attract and kill programs.

ACCOMPLISHMENTS: The goal of this effort has been to develop a new effective, nonpolluting attracticide pest management strategy for control of adult corn rootworms. Scientists at Beltsville, Maryland, have developed a new bait derived from Hawkesbury watermelon. The bait has undergone successful areawide testing and is undergoing commercial development. Based on field trials, the use of the bait is being expanded to more than 50,000 acres on corn and soybeans in the Midwest, including Texas, Kansas, Iowa, Illinois, Indiana, Nebraska, and South Dakota.

IMPACT/OUTCOME: The new product, commercially identified as Invite, and marketed by Florida Food Products, AgroTech, Inc., adds another new attracticide product for control of adult corn rootworm. Two patents have been awarded for the new bait system and it has been licensed by industry. Full commercialization of this technology should result in widespread use of the bait in formulations for control of corn rootworms, and reduce by 90 percent the amount of soil insecticides being applied to soil for corn rootworm control.

STRATEGY 2.1.3: Germplasm resources and genomics: Acquire, preserve, evaluate, describe, and enhance genetic resources and develop new knowledge and technologies to increase the productive capacity and usefulness of plants, animals, and other organisms.

PERFORMANCE GOAL 2.1.3.1: Collections of well documented germplasm of importance to U.S. agricultural security are readily available to scientists and breeders for research and development.

Indicators:

During FY 2000, ARS will

release and genetically characterize improved germplasm lines of grain crops designed to optimize their utility for specific feed, food, and health beneficial uses.

ACCOMPLISHMENTS: Nutritional assessments have been conducted on low phytic-acid corn and barley lines, originally developed by ARS scientists at Aberdeen, Idaho, to reduce phosphorus run-off from animal

feedlot operations. Cooperators at the University of Colorado found that human subjects retained 70 percent more zinc from foods prepared with low phytic-acid corn compared to normal corn. Cooperators at Montana State University found that heifers gained up to 33 percent more weight per day when fed low phytic-acid barley compared to normal barley.

IMPACT/OUTCOME: Low phytic-acid corn and barley lines may provide enhanced nutritional value for humans and livestock, as well as improve phosphorus nutrient management.

release and genetically characterize improved germplasm lines of grain crops with improved levels of resistance to important existing and emerging disease organisms.

ACCOMPLISHMENTS: The fungal disease, scab (*Fusarium* Head Blight) has caused devastating losses to the wheat industry. ARS scientists and university collaborators at Fargo, North Dakota, have incorporated scab resistance from wild relatives of wheat to produce new durum wheat germplasm lines with scab resistance, and released a new hard red spring wheat variety 'Alsen' with a higher level of scab resistance. Crown rust is a major disease of oat. Protection against this oat disease has previously depended on a single gene for resistance, which often became ineffective soon after a new oat variety was released. ARS scientists and university cooperators at St. Paul, Minnesota, have now identified a general (nonspecific) type of resistance, conferred by a group of genes, that is effective against many strains of the crown rust organism. The most destructive disease of rice in California is stem rot. ARS scientists at Davis, California, and collaborators at Biggs, California, have identified two DNA markers linked to stem rot resistance from a wild rice species.

IMPACT/OUTCOME: Transfer of the wild grass chromosome segment containing scab resistance into the durum genome was confirmed. The new durum germplasm lines can be used to speed up breeding of new durum wheat varieties with scab resistance. The new bread wheat "Alsen" with increased tolerance to scab will likely be widely adopted by growers in areas previously damaged by scab. (2) General (nonspecific) genes often provide long lasting resistance to crop disease pathogens. DNA markers associated with the durable, general-resistance genes have been identified and can now be used by oat breeders to effectively incorporate crown rust resistance into new oat varieties. (3) Identification of DNA markers linked to stem rot resistance could significantly accelerate the transfer of these genes into high-yielding rice varieties.

acquire, preserve, characterize, document, evaluate, and enhance crop, microbial, and beneficial insect genetic resources so that U.S. crops and beneficial microbes are less genetically vulnerable, an optimal repertoire of genes are accessible for continual crop and microbial improvement through genetic gain.

ACCOMPLISHMENTS: The ARS National Plant Germplasm System (NPGS) is the premier plant genebank network in the world, managing more than 430,000 different samples invaluable for crop genetic improvement and scientific study. More than 120,000 of these samples (almost 30 percent of the total) were distributed in 2000 in response to more than 3,000 different requests. More than 4,000 different samples were increased in 2000 by controlled field cultivation. More than 80 percent of all the seed-propagated accessions are backed up in security storage at the National Seed Storage Laboratory. In 2000, 9 foreign plant explorations were conducted successfully. More than 600 accessions of cotton were acquired from Uzbekistan, material that may provide critical new genetic diversity for the U.S. cotton crop. The preceding activities enabled the scientific community to gain ready access to a wide diversity of genetic materials for research and crop improvement.

IMPACT/OUTCOME: The website for the NPGS public database, the Germplasm Resources Information Network (GRIN), was queried thousands of times per day through the World Wide Web. An average of more than 450 new "visitors" queried GRIN every day during 2000. This high frequency of usage indicates that this database is a key resource for plant researchers and breeders worldwide.

ACCOMPLISHMENT: The ARS microbial germplasm collections now manage more than 100,000 different strains of bacteria, fungi, and related microbes. The largest collection at Peoria, Illinois, manages more than

80,000 different strains, including germplasm vouchers of patented microbes.

IMPACT/OUTCOME: These microbial collections serve as an important reference standard for microbial identification, as biocontrol agents, and as sources of natural products for pharmaceutical and other industrial uses.

ACCOMPLISHMENTS: Sugarbeet is one of the most important sources of domestic sugar, and a mainstay of the agricultural economy in the Northern Great Plains. Sugar content and disease resistance are key productivity factors for sugarbeets. ARS scientists at East Lansing, Michigan, developed new methods for assaying sugar content of single plants (via High-Performance Liquid Chromatography) and single plant assays for disease resistance to an important sugarbeet seedling disease.

IMPACT/OUTCOME: These new techniques may accelerate the pace of sugarbeet genetic improvement.

ACCOMPLISHMENTS: By evaluating hundreds of cotton germplasm lines, ARS researchers at Starkville, Mississippi, identified non-U.S. germplasm with resistance to tobacco budworm, one of the most serious cotton pests.

IMPACT/OUTCOME: These resistant materials will provide the basis for breeding resistance into cotton germplasm adapted to the U.S.

ACCOMPLISHMENTS: In tomatoes, beta carotene confers superior nutritive properties. ARS scientists at Beltsville, Maryland, identified DNA genetic markers for accurately predicting beta carotene content.

IMPACT/OUTCOME: These markers may improve the efficiency of tomato breeding and hasten the development of tomatoes with superior nutritional content.

ACCOMPLISHMENTS: Nematicides are very expensive, especially for small producers, and those who produce vegetables such as carrots for "organic" or "low-input" niche markets. Consequently, carrots with genetic resistance to nematodes are highly desirable, because the latter pose the largest threat to production worldwide.

IMPACT/OUTCOME: ARS scientists in Madison, Wisconsin, and their university cooperators identified and characterized genes conferring genetic resistance to nematodes in carrots, and began breeding the resistant traits into standard carrot germplasm.

ACCOMPLISHMENTS: At present, herbicides are applied to control weeds prior to flooding rice fields. ARS researchers at Beaumont, Texas, have identified and characterized genes that accelerate seedling growth up to four times.

IMPACT/OUTCOME: When these genes are incorporated into standard germplasm, it may result in more vigorous rice that will become established more quickly, thereby reducing the need for herbicide application.

continue studies using transgenic methods to incorporate antimicrobial disease resistant genes into crops (such as cottonseed) to protect pre- and postharvest seed products from microbial pathogens.

ACCOMPLISHMENTS: ARS scientists at New Orleans have inserted a bacterial (chloroperoxidase) gene into cotton, to enhance inhibitory activity against *A. flavus*, which produces aflatoxin contamination in crops. Additionally, the scientists have discovered a new family of proteins in corn kernels that are potential inhibitors of *A. flavus* growth.

IMPACT/OUTCOME: Experiments to inoculate bolls of the transgenic cotton with *A. flavus* and then assay for resistance will now be completed. Genes encoding the inhibitory proteins will be exploited by breeding selection and/or transgenic strategies in corn, cotton, and other crops.

continue studies to exploit natural antifungal resistance mechanisms in corn kernels for protection of the crop from pre- and postharvest attack by microbial pathogens.

ACCOMPLISHMENTS: The value of resistance to insect damage in reducing *Aspergillus flavus* infection aflatoxin contamination was assessed. Corn inbreds varying in insect resistance were evaluated for aflatoxin accumulation. Hybrids with resistance to southwestern corn borer and fall armyworm sustained less ear damage and less aflatoxin accumulation.

IMPACT/OUTCOME: Results suggest that combining genes for insect resistance and resistance to aflatoxin accumulation will be a productive strategy for developing new corn hybrids that are less vulnerable to aflatoxin accumulation.

identify QTLs affecting meat production and reproductive traits.

ACCOMPLISHMENTS: Quantitative trait loci (QTL) have been found in cattle and pigs. Three chromosomal regions have been identified that affect reproduction in cattle and nine chromosomal regions affecting reproduction in the pig. Four chromosomal regions have been identified to affect carcass composition in the pig and seven chromosomal regions have been identified to affect carcass composition and quality in cattle. The next step will be to identify the genes in these chromosomal regions to improve livestock production.

IMPACT/OUTCOME: The current process to identify these genes takes a long time and considerable resources. New laboratory resources are being developed to reduce the time and cost of this effort. DNA libraries were purchased to sequence a large number of genes and new DNA markers are being developed. Research efforts will also continue to identify additional chromosomal regions that affect reproduction and meat production traits. This research will improve genetic selection programs.

PERFORMANCE GOAL 2.1.3.2: Documented DNA base sequences of agricultural importance.
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Indicators:

During FY 2000, ARS will

decode more than 100,000 Expressed Sequence Tags (EST) in soybean in cooperation with partners. Genes express themselves by producing a message which can be cloned and decoded. The decoded message is called an EST. Discovering the function of these genes will make them useful for more effectively improving soybeans.

ACCOMPLISHMENTS: More than 80,000 gene sequences were characterized and 46 gene libraries created in FY 2000 in cooperation with scientists from several universities and industry.

IMPACT/OUTCOME: These sequences are being accessed by public and private researchers for research and development of economically important products, which may reach the marketplace in the next 5 to 10 years.

*determine the nucleotide sequence of nearly the entire genome of a mustard plant (*Arabidopsis*), an important "model species" for understanding plant genomes in conjunction with university and private sector partners supported by ARS, the National Science Foundation, and Department of Energy. This also will provide substantial progress in sequencing the rice genome. Because the DNA sequence of many agronomically-important genes is similar among species, this knowledge may help to identify similar ones in major crops, thus accelerating the progress of crop improvement.*

ACCOMPLISHMENTS: At the end of 2000, an international scientific team that included ARS researchers in Albany, California, finished the first essentially complete genome sequence for a plant, *Arabidopsis*, an

experimental "model plant." It was sequenced first because of its small genome and rapid life cycle.

IMPACT/OUTCOME: Knowledge of the Arabidopsis genome is already helping to elucidate the structure and function of crop genomes and their constituent genes.

apply bioinformatic tools, biological databases, and information technology to more effectively improve crops, microbes, and beneficial insects.

ACCOMPLISHMENTS: With the ARS Center for Agricultural Bioinformatics at Cornell University, Ithaca, New York, serving as a hub, this ARS national program has expanded its institutional network for developing and maintaining crop genome databases and bioinformatics tools to encompass strong partnerships with the University of Minnesota, the University of California-Davis, and the Cold Spring Harbor Laboratory.

IMPACT/OUTCOME: At Ithaca, ARS scientists established a new worldwide web server to distribute genetic and genomic information for more than a dozen crops and model plant species as widely as possible to the scientific community.

ACCOMPLISHMENTS: ARS scientists and collaborators at Cornell University, Ithaca, New York, developed more efficient means for genetically mapping agriculturally-important traits. Often, mapping the genomic location of the genes that govern a trait serves as a vital prerequisite for genetic improvement of the trait. A new software tool was developed, MapPop, that enables high-quality genetic mapping with smaller-scale genetic studies.

IMPACT/OUTCOME: This new tool and approach may tangibly accelerate the generation of genetic data integral to the progress of crop genetic improvement.

ACCOMPLISHMENTS: The size and complexity of soybean's genome preclude it from being completely characterized in the near future. ARS scientists in Ames, Iowa, correlated information in the ARS soybean genome database with genomic data from the model plant Arabidopsis, the first plant genome to be completely sequenced.

IMPACT/OUTCOME: The arrangement of genes on the preceding two genomes was somewhat similar, indicating that information derived from the Arabidopsis genome may help accelerate genetic research and crop improvement in soybean, a major crop worldwide.

increase DNA markers on the poultry genetic map.

ACCOMPLISHMENTS: Additional DNA markers have been added to the poultry map and a complete description of the map is available on the web (<http://poultry.mph.msu.edu/>). The total number of markers exceeds 1,500 and 200 of these markers represent genes.

IMPACT/OUTCOME: The DNA markers are being used to identify chromosomal regions that affect susceptibility to Marek's disease. A gene that interacts with the virus has been identified as Growth Hormone and a certain form of this gene appears to make the chicken more resistant to the virus.

complete the DNA sequence of serotype 1 Marek's virus.

ACCOMPLISHMENTS: ARS scientists at East Lansing, Michigan, have sequenced 175,000 bases of DNA from a serotype 1 Marek's disease virus (MDV), thus providing a crucially important roadmap for understanding viral gene function as a first important step toward better diagnosis of MDV in commercial meat-type chickens. Molecular DNA sequencing of the serotype 1 MDV was transferred to academia and the poultry industry through a publication to enhance the global effort to elucidate the function of various viral genes and the epidemiology of MDV infection.

IMPACT/OUTCOME: The entire DNA sequence of the MDV will provide a crucial first step toward the development of novel molecular vaccines for MDV. Furthermore, the DNA sequence information of MDV will enhance understanding of the immunology of MDV infection that may prove useful to control other types of viruses important to the U.S. poultry industry.

carry out the molecular characterization of new isolates of Avian Leukosis J virus (ALV-J).

ACCOMPLISHMENTS: ARS scientists at East Lansing, Michigan, compared the DNA sequences of various isolates of avian leukosis virus subgroup J (ALV-J) and observed numerous mutations scattered throughout the genomes. These findings suggest that variations in these regions may alter the ability of the infected host to neutralize the virus and emphasize the importance of virus antigenic variants that may confound diagnosis and vaccine strategies for control of ALV-J virus infection.

IMPACT/OUTCOME: DNA sequence information from the ADOL-Hc1 virus strain, the U.S. prototype of ALV-J, and development of several recombinant baculovirus and fowlpox viruses containing the inserted ALV-J gene allowed the expression of recombinant ALV-J protein and the development of a sensitive assay for detection of ALV-J outbreaks in commercial meat-type chickens. Recombinant ALV-J viral antigen expressed in the baculovirus vector has been used in a commercial diagnostic kit for detection of antibody to ALV-J (U.S. Patent #6,146,641).

PERFORMANCE GOAL 2.1.3.3: Release of improved germplasm, varieties, and breeds based on effective use of genetic resources.

Indicators:

During FY 2000, ARS will

use genetic crosses and breeding methods to combine genes for mite and disease resistance into a single honey bee stock. After testing, the genetically resistant bee germplasm will be transferred to commercial queen breeders for use by beekeepers and the pollination industry for enhancing U.S. crop, fruit, and vegetable production.

ACCOMPLISHMENTS: The ARS Baton Rouge laboratory released Russian honey bees that showed resistance to mites from quarantine to the beekeeping industry, in cooperation with Bernard Apiaries in Breaux Bridge, Louisiana. The purpose is to begin to introduce mite-resistant stock into commercial honey bees.

IMPACT/OUTCOME: A new mite-resistant trait was discovered in a selected line of honey bees; the trait suppresses mite reproduction in the first offspring of a queen rather than (as previously) after a six-week delay. With this trait it may be possible to predict mite-resistance in a colony as soon as 17 days after a queen begins to lay eggs. This should greatly speed up breeding of resistance traits.

genetically improve crop, microbial, and beneficial insect varieties and strains that are less genetically vulnerable, which will enable producers and processors to maximize yields of high quality products, and minimize environmental degradation and production costs.

ACCOMPLISHMENTS: ARS researchers and university cooperators at East Lansing, Michigan, released a high-yielding, black seeded dry bean incorporating resistance to a variety of fungal diseases, including white mold, the most serious disease of the crop in the Great Lakes region.

IMPACT/OUTCOME: Cultivation of this bean may reduce fungicide use, while increasing profits for small producers who generally rely on good yields to offset profit risks.

ACCOMPLISHMENTS: The farmgate value of potatoes is worth several billions of dollars in the U.S., but cost of production is high because of diseases, pests, and suboptimal quality. ARS researchers at Prosser,

Washington, and university cooperators in the Pacific Northwest released several superior potato varieties that should increase producer profitability.

IMPACT/OUTCOME: Bannock Russet and Gem Russet have improved disease resistance and yield. They are suitable for the French fry and fresh markets. Idarose is a superior red-skinned variety for boiling and salad purposes.

ACCOMPLISHMENTS: Two new woody ornamental landscape plants, a lilac and a redbud, were developed by researchers at Washington, D.C., and released to nurseries for propagation. The redbud is seedless, and the lilac is better adapted to warmer climates.

IMPACT/OUTCOME: Both new varieties can be propagated readily by standard techniques, and will furnish U.S. gardeners a wider diversity of well-adapted landscape plants.

ACCOMPLISHMENTS: Continued improvement in yield of soybeans is needed to enable U.S. farmers to maintain a competitive edge in world markets. In 1999 field trials, ARS researchers in Wooster, Ohio, found that a newly released semi-dwarf soybean cultivar topped the maximum yield trials at 97 bushels per acre.

IMPACT/OUTCOME: The results confirmed the potential of a well-managed subirrigation/drainage system, when used in combination with a high yield soybean cultivar, to produce consistent yields of 70 to 80 bushels per acre.

ACCOMPLISHMENTS: Peaches in the Southeastern U.S. are generally grown by small producers in relatively small volumes.

IMPACT/OUTCOME: The profitability of southeastern growers may be enhanced by 'Gulfprince' an early season peach with superior quality and shipping characteristics that was bred by ARS researchers and their university cooperators at Byron, Georgia.

ACCOMPLISHMENTS: Grain legumes are important rotational crops in cereal-based cropping systems of the U.S. Pacific Northwest. But many diseases, insect pests, and environmental stresses reduce seed yield and quality. ARS scientists in Pullman, Washington, released two new varieties of pea, two of lentils, and a new variety of chickpeas.

IMPACT/OUTCOME: These superior new varieties incorporate high yields and disease resistance.

ACCOMPLISHMENTS: Plum pox virus, the most serious virus disease of plums and other stone fruit, recently entered the U.S. and may threaten the U.S. stone fruit industry. ARS researchers at Kearneysville, West Virginia, genetically-engineered plums for resistance to that virus.

IMPACT/OUTCOME: These resistant varieties will provide producers with the means to combat that disease.

ACCOMPLISHMENTS: ARS researchers at Raleigh, North Carolina, developed soybeans with high concentrations of oleic acid, i.e., with highly unsaturated oil, using traditional breeding methods. Highly unsaturated oil is considered healthier than highly saturated oils.

IMPACT/OUTCOME: Such varieties bred by traditional approaches may enable U.S. farmers to remain competitive in exporting soybeans to nations that restrict use of transgenic crops.

ACCOMPLISHMENTS: *Fusarium* head blight (scab) has devastated the hard red spring wheat producing areas of the Northern Great Plains. ARS researchers and university cooperators at Fargo, North Dakota, released the scab-tolerant variety 'Alsen', which has high yields and greater scab resistance than current varieties.

IMPACT/OUTCOME: 'Alsen' wheat will likely be widely produced in regions previously devastated by scab.

ACCOMPLISHMENTS: The U.S. frying industry requires sunflower oil with 50-60 percent monosaturated fatty acid, which ideally is produced by a sunflower hybrid having high yield and superior agronomic properties. ARS researchers in Fargo, North Dakota developed a hybrid sunflower with the desired fatty acid profile, high yield, and disease resistance.

IMPACT/OUTCOME: The germplasm was released to private and public breeding programs for varietal development.

introduce a muscat flavored seedless white table grape bred to replace Italiz, a seeded muscat flavored table grape. This introduction is a specialty item in the U.S. and very desirable in Europe and South America where Italia is the number one table grape cultivar.

ACCOMPLISHMENTS: ARS scientists at Fresno, California, are releasing a new white seedless muscat table grape.

IMPACT/OUTCOME: A series of seedless cultivars ripening from early to late with white, red, or black skin color are needed to provide a continuous supply throughout the year for the consumer. A limited number of good seedless table grape cultivars are currently available to grape growers. The development of seedless grape varieties with naturally large size will reduce production costs and provide the type of grapes consumers want. ARS seedless table grapes have had a significant impact nationally such as 'Flame Seedless', the first ARS seedless grape released in 1973, which is now the second most important table grape grown in California, and "Crimson Seedless" which is the fourth leading variety.

release a blue/black seedless Concord flavored grape for farmers markets. This new grape provides a seedless type suitable for production in California where Concord grapes do not now grow well.

ACCOMPLISHMENTS: ARS scientists at Fresno, California, are releasing a new blue/black seedless Concord flavored grape.

IMPACT/OUTCOME: A series of seedless cultivars ripening from early to late with white, red, or black skin color are needed to provide a continuous supply throughout the year for the consumer. A limited number of good seedless table grape cultivars are currently available to grape growers. Since Concord type grapes are not readily cultivated in California, this new variety will allow for the production of a seedless Concord variety adapted to California conditions.

release new strawberry and blueberry germplasm with improved traits.

ACCOMPLISHMENTS: ARS scientists in Corvallis, Oregon, working jointly with Washington State University released 'Puget Summer' strawberry, developed from a cross made by ARS in Corvallis. This new strawberry variety, in concert with recent releases of 'Firecracker' and 'Independence' by ARS in Corvallis, Oregon, provides three new late ripening cultivars for the Pacific Northwest. ARS scientists in Chatsworth, New Jersey, released 'Cara's Choice' and 'Hannah's Choice', two new highbush blueberry cultivars for the pick-your-own and home garden markets. ARS researchers in Poplarville, Mississippi, released 'Biloxi', an early, low chill highbush blueberry for the Gulf Coast Region.

IMPACT/OUTCOME: New strawberry cultivars released in the Pacific Northwest will extend what has been a fairly short season for the industry that has faced challenges in recent years, while depending primarily on high quality fruit for processing. Season extension has been a goal of breeding and production research in the Pacific Northwest strawberry industry. New blueberry varieties released by ARS in Chatsworth are high quality with advances in sweetness, firmness and flavor not available in commercial cultivars. These new varieties will increase public awareness of blueberry as a quality fruit and lead to greater consumption of blueberries as a healthful part of the diet. The new early, highbush blueberry from Poplarville will assist the

expanding blueberry industry of the Gulf Coast Region to expand into new areas.

PERFORMANCE GOAL 2.1.3.4: Improve methods for identifying useful properties of plants, animals, and other organisms, and for manipulating the genes associated with these properties.

Indicators:

During FY 2000, ARS will

complete construction of a catfish genetic linkage map with at least 250 markers.

ACCOMPLISHMENTS: Scientists at the Catfish Genetics Research Unit, Stoneville, Mississippi, completed a catfish genetic linkage map with 264 markers.

IMPACT/OUTCOME: This map will be useful for selection of traits that are difficult to measure, such as disease resistance and fillet yield.

implement the "Test Day Model" for the genetic evaluation of the U.S. dairy herd.

ACCOMPLISHMENTS: The "Test Day Model" was put on hold until the Council on Dairy Cattle Breeding and the Cornell Research Foundation negotiate the use of a patent.

IMPACT/OUTCOME: Impact not measurable.

begin to combine novel technology (e.g., microarray or chip assays of gene activity) with conventional screens of standard agricultural traits (yield, adaptation, stress resistance) to identify coincident patterns of gene expression, occurrence of nucleic acids and proteins, and variation in the desirable agricultural traits. This information will help reveal the function of newly discovered genes so they can be manipulated and regulated in crops.

ACCOMPLISHMENTS: ARS scientists constructed a library of over 1,400 soybean genes that are expressed two days after infection by the soybean cyst nematode race 3. Over 1,000 of the genes were sequenced in an attempt to identify their function. In a complementary approach, DNA markers were developed which map a trait closely linked to soybean cyst nematode resistance.

IMPACT/OUTCOME: The library of genes will be applied to microchip DNA array technology, in which thousands of soybean genes can be monitored for their response to soybean cyst nematode invasion. This will allow researchers to identify genes that are involved in resistance to the soybean cyst nematode. Until these genes are positively identified, the use of new DNA markers can be used by breeders to develop soybeans with improved resistance to this pest.

develop gene markers for coccidiosis which will lead to genetic strategies to control this poultry disease.

ACCOMPLISHMENTS: DNA markers have been found on chicken chromosome 1 that are associated with resistance to avian coccidiosis. The markers are currently being evaluated in industry populations. Additional research efforts are designed to identify the gene on chromosome 1 that influences resistance to coccidiosis and identify additional chromosomal regions that confer resistance.

IMPACT/OUTCOME: Avian coccidiosis cost the U.S. poultry industry more than \$700 million per year by reducing growth and feed efficiency in chickens. DNA markers will be used to select chickens that are less susceptible to coccidiosis and therefore decrease the number of chickens that will get sick. DNA markers will also be used to identify genes that influence resistance to coccidiosis and this information will be used to develop therapeutic agents.

expand understanding of genes of importance in food-borne bacterial pathogens, and develop high throughput sequencing of these genes. (Revised for clarity.)

ACCOMPLISHMENTS: ARS has focused on DNA sequencing as a practical tool to study problems such as: the effect of horizontal movement of genetic elements in the microbial environment; understanding the development of antibiotic or antimicrobial resistance, or resistance to stress and the development of increased virulence; or to phylogenetically characterize strains in order to develop better identification and differentiation methods. ARS studies genes that are present both on the bacterial chromosome and on DNA elements such as plasmids, transposons, integrons, and bacteriophages in order to achieve these goals.

IMPACT/OUTCOME: A better understanding of the genetic basis for resistance and adaptation of food-borne bacterial pathogens will help ensure the safety of the U.S. food supply.

produce large quantities of chicken and pig leptin and evaluate the biological function of this hormone in controlling feed intake.

ACCOMPLISHMENTS: Chicken and pig leptin have not been produced in the laboratory, but antibodies to chicken and pig leptin have been produced which allows researchers to quantify the amount of leptin in different animals and at different stages of growth, development, production, or nutrition.

IMPACT/OUTCOME: Future research will evaluate leptin's role in nutrient metabolism by using the antibody to leptin and other laboratory methodologies.

utilize mutants of pollen development to improve understanding of the signaling process that controls reproductive specificity. This knowledge is expected to lead to the development of processes that will enable geneticists to make much wider crosses than currently possible, which will result in a vast number of new genes becoming available for "conventional" breeding purposes.

ACCOMPLISHMENTS: ARS scientists developed one novel method for large scale screening of pollen mutants by pooling pollen from approximately 100 plants at a time. Numerous unexpected pollen mutant types were identified.

IMPACT/OUTCOME: The identification of pollen mutants will assist researchers in characterizing the individual signaling events that occur during successful pollen germination and fertilization. Knowledge about the genes that control these events can potentially be used in the future to facilitate pollination between distantly related species for the introduction of new genes by natural processes.

complete the process of transferring genes of the technology protection system into cotton in order to evaluate its value and biosafety.

ACCOMPLISHMENTS: The multiple genes of the Technology Protection System (TPS) have been assembled in cotton plants, but not all in the same plants. This awaits another round of crossing and selection of progeny that includes all of the genes in one plant.

IMPACT/OUTCOME: TPS has many potential applications, the most valuable of which is the ability to prevent the spread of genes from a genetically engineered crop to closely related wild plants. How to utilize the TPS genes properly is actively under discussion in many quarters.

continue to develop knowledge about the effect of spatial variability in soils on cotton fiber quality, and to determine how to manage fields to improve overall quality and reduce quality variability.

ACCOMPLISHMENTS: In two growing regions, fiber yield was found to be depressed in low areas of fields that had high soil moisture, soil phosphorus, and organic matter. Fiber maturity (a quality trait) was associated with high soil phosphorus.

IMPACT/OUTCOME: Designing “zoned” harvesting schemes to partially separate high-maturity from low-maturity fiber appears feasible from these data. The benefit is realized in the production of cotton bales of more uniform fiber quality, a high-priority need of cotton mills.

STRATEGY 2.1.4: Plant and animal biological processes: Develop biologically based technologies to improve productivity, safety, nutrient content, and quality of plants, animals, microbial organisms, and their products.

PERFORMANCE GOAL 2.1.4.1: Make technologies available for improving productivity, safety, quality, and the security of the agricultural production system.

Indicators:

During FY 2000, ARS will

develop a modified live vaccine for Edwardsiella tarda to prevent a significant blood borne bacterial disease of farm raised foodfish.

ACCOMPLISHMENTS: Scientists at the Aquatic Animal Health Research Unit, Auburn, Alabama, developed the vaccine Aquavac-ESC that was licensed to Intervet, who made it available to fish farmers for use during the 2000 growing season.

IMPACT/OUTCOME: Estimates indicate that 1 million doses of the vaccine will be sold in the year 2000.

compare marker vaccines for efficacy in protecting U.S. swine from swine fever.

ACCOMPLISHMENTS: Two vaccine trials were carried out to test the efficacy of 2 CSFV E2 subunit/marker vaccines and a live attenuated vaccine against a challenge with virulent CSFV. The live attenuated vaccine proved to be more efficient controlling CSFV in pigs than the subunit/marker vaccines when infection occurred shortly after vaccination.

IMPACT/OUTCOME: These data indicate that attenuated vaccine is an efficacious tool for use in the control of a CSF outbreak. Subunit/marker vaccines might be applied to herds not directly in contact with an outbreak, facilitating differentiation between vaccinated and naturally infected pigs, thus decreasing economic losses due to elimination of uninfected animals.

conduct molecular epidemiologic studies of the ecology of vesicular stomatitis virus (VSV) outbreaks in the Western Hemisphere.

ACCOMPLISHMENTS: In 1995, VSV-NJ caused outbreaks in Southwestern U.S. This was the first re-emergence of VSV-NJ since 1985. In 1997 and 1998 VSV-IN1 re-emerged in the Southwest after 30 years of absence. Using Reverse Transcriptase - Preliminary Chain Reaction (RT-PCR) DNA sequencing, and phylogenetic analyses combined with epidemiological information (molecular epidemiology), the determination was made that viruses causing the 1995, 1997, and 1998 VS outbreaks were newly introduced ones. They were more similar to viruses circulating in enzootic areas of Southern Mexico than to those causing previous outbreaks in the U.S.

IMPACT/OUTCOME: Rapid detection and characterization methodology for VSV by RT-PCR and direct sequencing is possible. Determining the origin of VSV strains causing outbreaks in the Western U.S. allows attention to be focused on analyzing the factors influencing the introduction of VSV into the U.S., such as environmental, climatological, and vectorial.

improve vaccine delivery systems for exotic poultry diseases, such as avian influenza.

ACCOMPLISHMENTS: Developed a vaccine using limited replication competent Venezuelan Equine Encephalitis virus vector containing an avian influenza H5 hemagglutinin gene insert.

IMPACT/OUTCOME: The vaccine vector induced protective immunity in chickens against a highly pathogenic H5 avian influenza virus when given subcutaneously. Since poultry does not have immunity against this vector, the vaccine has the potential for widespread use.

develop a DNA sequence database and diagnostic tools for avian leukosis J virus (ALV-J).

ACCOMPLISHMENTS: DNA was sequenced and nine strains of ALV-J compared from different U.S. poultry flocks isolated in the years 1993 to 1997. Analysis clearly shows that the ALV-J viruses in the U.S. are changing over time. It also suggests that U.S. strains may have evolved independently from the ALV-J viruses in Great Britain. DNA sequencing efforts made it possible to design PCR primers for use in quickly detecting the ALV-J virus in infected birds.

IMPACT/OUTCOME: There are two commercial diagnostic kits for ALV-J on the market. Unfortunately, both of them detect only a subset of the ALV-J field strains, generating both false negative and false positive results. DNA sequencing demonstrated that ALV-J's are highly variable and explains why the existing commercial kits are unsatisfactory. Vaccine developers and diagnostic kit designers need to target the portions of ALV-J that are constant and not likely to change. The PCR primers were designed to bind to highly conserved regions of the ALV-J genome. Consequently, several poultry breeding companies are using the primers and PCR conditions to aid them in detecting ALV-J positive chicks.

enhance control of transmissible spongiform encephalopathies (TSE) through use of preclinical diagnosis.

ACCOMPLISHMENTS: Through collaborative research with the National Animal Disease Center, Ames, Iowa, Washington State University, APHIS, MAFF (United Kingdom), and Utah State University (Logan, Utah), the stage 2 OIE (Office of International Epizootics – Assay development and standardization) validation of the third eyelid test was completed and published. The third eyelid test for sheep scrapie is the first and only practical preclinical diagnostic test for a transmissible spongiform encephalopathy worldwide.

IMPACT/OUTCOME: This work represents the next step toward international acceptance of the test. It is being implemented as part of the U.S. national scrapie test validation and eradication program.

develop control strategies for porcine viruses that cause reproductive losses.

ACCOMPLISHMENTS: A vaccine developed by ARS scientists and subsequently evaluated by them and a commercial cooperator was found to be effective and is in the final stages of Federal licensure. Also, a highly sensitive diagnostic test was developed for porcine reproductive and respiratory syndrome (PRRS) during the past year using a powerful molecular technique based on detecting a portion of the nucleic acid core of the PRRS virus.

IMPACT/OUTCOME: Use of the vaccine, which is expected to be marketed later this year, will reduce the clinical impact of PRRS on the U.S. swine industry. In addition, the use of the diagnostic test will allow the early and definitive recognition of epidemics of PRRS and immediate implementation of control strategies to minimize further spread and clinical impacts of the disease.

develop knowledge of the life cycle of Neospora, the major cause of abortion in cattle that can be used as a management strategy to lower the incidence of abortions in cattle.

ACCOMPLISHMENTS: ARS scientists have achieved complete protection against congenital neosporosis in the mouse model by immunization of dams with *Neospora caninum* antigen prior to mating and subsequent challenge with the parasite. It was determined that this antigen was associated with an insoluble portion of the *N. caninum* extracts as a first step in purifying the protective component.

IMPACT/OUTCOME: Abortions due to *Neospora caninum* have a major impact on the dairy and beef cattle industries throughout the world. Knowledge about transmission of this parasite will help producers manage and prevent the disease.

continue to clone and sequence genes that promote degreening of maturing canola seeds. Identify the genes, if possible, and characterize their mode of action, then begin transferring the genes into canola for evaluation.

ACCOMPLISHMENTS: ARS scientists identified the period during seed development when a key enzyme for degreening of seed chlorophyll is the most active.

IMPACT/OUTCOME: Knowledge of the period of highest activity of the degreening enzyme will facilitate purification of the enzyme and cloning of the degreening gene, which is necessary for characterizing how the gene works and, finally, for transferring it into canola for evaluation.

begin evaluation and testing of cottonseed that carries the technology protection system.

ACCOMPLISHMENTS: See Performance Goal 2.1.3.4. Since the elements of the Technology Protection System are not yet assembled into a single plant, and this evaluation could not go forward.

evaluate the determinants of in-field variation of cotton fiber quality. Begin to analyze the data in a way that will make predictions of fiber quality variability possible.

ACCOMPLISHMENTS: In fields with early and late planting dates, boll distribution on the plants was found to be a major contributor to fiber length variability, but not maturity variability. In years with ample mid-season moisture, early planting increased yield and fiber length and maturity.

IMPACT/OUTCOME: The data are useful for the modeling (prediction) of fiber quality, which will help cotton mills (users of the fiber) to select the appropriate quality for various spinning processes which have differing needs for raw material inputs.

determine factors that regulate u-calpain activity in postmortem muscle and develop strategies to control variation in meat tenderness.

ACCOMPLISHMENTS: The bovine and ovine u-calpain genes were cloned and placed on the genetic linkage map. DNA markers near the u-calpain gene were used to evaluate u-calpain's potential effect on meat tenderness. A number of proteases were identified to degrade calpastatin; however, only u-calpain and m-calpain degraded calpastatin in the same manner as during postmortem aging. ARS scientists determined that, under physiological conditions, the rate of proteolysis was reduced, but not completely halted, by increasing the ratio of calpastatin:u-calpain from 2:1 to 4:1.

IMPACT/OUTCOME: These results will lead to a greater understanding and control of biological mechanisms that regulate variation in muscle growth and meat tenderness. ARS scientists determined that variation in muscle shortening, proteolysis of muscle proteins during aging, and connective tissue accounts for 72 percent of the variation in pork tenderness. They also determined that muscle shortening affects meat tenderness, but altering proteolysis of muscle proteins does not.

develop national and international surveillance and diagnostic programs using the ARS sheep scrapie test.

ACCOMPLISHMENTS: A protocol has been developed with APHIS to complete stage 3 OIE validation (determination of assay performance characteristics) of the third eyelid test.

IMPACT/OUTCOME: These data will provide statistically significant test performance characteristics for the third eyelid test. In addition to aiding in scrapie eradication from the U.S., these data will make the test

acceptable internationally for continued quality assurance programs in the U.S. once scrapie is eradicated. Due to the enormous economic impact of transmissible spongiform encephalopathies (TSEs), such as bovine spongiform encephalopathy (mad cow disease), the importance of the eradication of related TSEs, such as scrapie, from the U.S. is clear. The final impact/outcome is improved export advantages for U.S. animal agriculture.

study the effects of stress on neonatal pigs and their ability to respond to stress during early development.

ACCOMPLISHMENTS: Scientist at the Animal Physiology Unit, Columbia, Missouri, in collaboration with scientists at the University of Missouri demonstrated that plasma protein in weanling diets provided protection to infectious disease.

IMPACT/OUTCOME: The research was recognized by NPPC with the 2000 Innovation Award for basic research.

develop molecular markers to distinguish Karnal bunt from similar fungi.

ACCOMPLISHMENTS: Based on DNA sequence data, five sets of polymerase chain reaction (PCR) primers were developed that were specific for the Karnal bunt fungus, *Tilletia indica*, and three sets were designed specific to *Tilletia walkerii*, a closely related fungal species of ryegrass that had been indistinguishable previously. Later these tests were used to show that a shipload of wheat exported to the European Union was contaminated with low levels of the ryegrass pathogen, not Karnal bunt, so that negative regulatory action was avoided.

IMPACT/OUTCOME: These tests provide rapid, accurate identification of Karnal bunt contamination in grain, and, equally important, to accurately determine that suspected fungi may be Karnal bunt. This capability will allow international wheat trade to proceed with fewer shipments rejected because of incomplete or mistaken identifications of the fungi.

determine what substances when added to the diet of dairy cattle will effectively reduce the pH of their blood to prevent milk fever.

ACCOMPLISHMENTS: ARS scientists at Ames, Iowa, fed various sources of chloride and sulfate containing chemicals to dry nonpregnant dairy cows and demonstrated that chloride consistently counteracted the effects of dietary potassium that causes a decrease in blood acidity, thus contributing to hypocalcemia (milk fever). Furthermore, this study found that chloride was more effective than sulfate in the prevention of milk fever in peri-parturient cows.

IMPACT/OUTCOME: This new information has resulted in the development of hydrochloric acid treatment of feeds by at least two companies (West Central Corp., Ralston, Iowa, and Nutritech, Abbotsford, British Columbia) and allowed farmers, veterinarians, and nutritionists to more accurately choose the most effective feeds and chloride sources for balancing transition dairy cow rations.

demonstrate that parathyroid hormone is not properly taken up by cell receptors when dietary potassium is elevated and that the mechanism is due to elevation of blood pH by dietary potassium.

ACCOMPLISHMENTS: ARS researchers at Ames, Iowa, have demonstrated that mild alkalosis can attenuate the action of parathyroid hormone at its target organs (bone and kidney), resulting in decreased production of the active form of vitamin D, bone calcium and phosphorus reabsorption. Collectively, these effects lead to the inability of dairy cows to respond to the high demand for calcium at parturition and ultimate development of peri-parturient hypocalcemia (milk fever).

IMPACT/OUTCOME: This research has provided a more detailed understanding of the pathogenesis of milk fever. The research has also emphasized the importance of dietary methods for reversing alkalosis in order

to re-establish target tissue sensitivity to the parathyroid hormone and prevent clinical and sub-clinical hypocalcemia in dairy cows. An enhanced understanding of the effects of dietary factors on the overall health of young and adult dairy cattle will benefit the U.S. producer and consumer.

OBJECTIVE 2.2: Safe food: "Maintain a ... safe supply of food to meet human ... needs"

STRATEGY 2.2.1: Plant and animal product safety: Provide knowledge and means for production, storage, and processing of safe plant and animal products.

PERFORMANCE GOAL 2.2.1.1: Transfer knowledge developed by ARS to industry and regulatory agencies.

Indicators:

During FY 2000, ARS will

complete the development and transfer of information to regulatory agencies, such as APHIS Veterinary Service and FSIS, describing methods for on farm management of pigs to achieve a preharvest parasite free certification program to assure pork product safety.

ACCOMPLISHMENTS: A preharvest certification program for *Trichinella* is needed to assure consumers that the pork they buy and bring into their homes is free of this parasite. ARS scientists, together with the pork industry, developed the certification system based on the knowledge of risk factors, detection methods, and good management practices. Certification requires pork producers to meet certain management criteria that eliminate risk of exposure of pigs to the *Trichinella* parasite.

IMPACT/OUTCOME: This certification program has been adopted by the pork industry, and APHIS and FSIS are currently developing regulations for management of the program. Certification should also help the USDA establish equivalency agreements with foreign markets regarding the safety of U.S. pork.

develop a profile of pathogens present in biofilms on processing equipment. This information will be used to develop methods to reduce the presence of pathogens in biofilms on equipment in poultry processing plants.

ACCOMPLISHMENTS: Unfortunately, this Indicator was not achieved; due in part to the retirement of a scientist critical to the research; the restructuring of the project into two separate ones, and refocusing of the scientist working on the biofilm work to research more associated with intervention strategies.

IMPACT/OUTCOME: An understanding of the microbial ecology of biofilm communities associated with poultry products continues to be of significance to the Food Safety National Program, because of its importance with respect to pathogenicity and food quality. Thus, research in this area will continue, albeit at a slower pace than previously envisaged. Expectation is that the Indicator will require at least another 3 years to be achieved.

develop techniques to improve the effectiveness of experimental and commercial sanitizers to further reduce pathogen levels in fresh fruits and vegetables and minimally processed products from them.

ACCOMPLISHMENTS: ARS has made several significant advancements in this area. Research has shown that some chemicals used for sanitizing seeds for sprouting are ineffective against the bacteria and/or they damage the seeds leading to a reduction in sprouting. Treatment of seed for 10 minutes with calcium hypochlorite providing 20,000 ppm of free chlorine was highly effective in reducing specific pathogens. Irradiation studies indicate however, that seeds irradiated to 2kGy can inactivate > 99 percent of pathogens without significantly affecting yield, and extend shelf-life of sprouts themselves. Gas-phase application of chlorine dioxide showed significant promise for general use by the produce and seeds industry. ARS studies also showed how to increase the efficiency of hydrogen peroxide treatment for removing attached pathogens

from apples. Reductions of > 99.99 percent could be readily obtained.

IMPACT/OUTCOME: Information on the efficacy and efficiency of conventional and experimental methods to decontaminate seeds and produce was conveyed to growers, packers, processors, and the FDA. The research has helped meet the goals established by the FDA for several commodities; for example, a 99.999 percent (5 log) reduction target for unpasteurized apple cider, providing the new treatments can be translated into approved and affordable technology.

*provide the research information necessary to obtain an Experimental Use Permit from EPA for use of competitive strains of *Aspergillus flavus* and *Aspergillus parasiticus* to control preharvest aflatoxin contamination of peanuts.*

ACCOMPLISHMENTS: ARS has developed the information that is necessary to obtain an experimental use permit for testing a product utilizing competitive strains of *A. flavus* and *A. parasiticus* to prevent contamination of peanuts with aflatoxin.

IMPACT/OUTCOME: A Georgia company is interested in the technology and is moving forward with efforts to license the technology from ARS. An experimental use permit will allow the product to be field tested in more than 10 acres of peanuts per season in order to determine if it will effectively exclude toxin producing fungi from peanuts grown under commercial conditions, and keep the aflatoxin content under the tolerance required by European markets.

*provide the research information necessary to expand provisions of the Experimental Use Permit from EPA for use of a competitive strain of *Aspergillus flavus* to allow treatment of 20,000 or more acres of cotton to control preharvest aflatoxin contamination of cottonseed.*

ACCOMPLISHMENTS: Aflatoxins are extremely toxic substances produced by some strains of *Aspergillus flavus* and most strains of *Aspergillus parasiticus*. These fungi are ubiquitous and infect many crops including peanuts, corn, cottonseed, and tree nuts, and even some wild plants growing in noncultivated areas. Both the health risks and the reduced profitability of contaminated crops create a need to prevent the formation of aflatoxins. Strains of *A. flavus* which do not produce aflatoxin may be used to competitively exclude the toxin producing strains prior to boll development. ARS developed the information necessary for EPA to allow the treatment of up to 20,000 acres of cotton to further assess and confirm the value of this product in preventing aflatoxin in cottonseed in a wide variety of environmental conditions and production practices.

IMPACT/OUTCOME: Use of this product to prevent aflatoxin in cottonseed will help assure its safety for animal feed purposes, in particular cottonseed in dairy cattle feed, and will help to maintain the continued profitability of the crop.

*expand the capabilities of the multiplex PCR which was developed to specifically detect and identify *E. coli* O157:H7 in foods. The expanded assay will allow identification of the type of Shiga toxin (Stx1 or Stx2) produced and will make it possible to determine the presence of the H7 antigen (fliC gene which encodes the H7 flagellat antigen). An assay with these capabilities will be useful to the FSIS.*

ACCOMPLISHMENTS: A method involving a multiplex polymerase chain reaction (PCR) assay was developed to simplify detection and identification of *Escherichia coli* O157:H7 in foods, and to also permit detection of low levels of bacteria subjected to cold stress. Primers for a plasmid-encoded hemolysin gene (*hly₉₃₃*), and chromosomal flagella (*fliC_{H7}*; flagellar structural gene of H7 serogroup), Shiga toxins (*stx₁*, *stx₂*), and attaching and effacing (*eaeA*) genes were used in a multiplex PCR for co-amplification of the corresponding DNA sequences from *E. coli* O157:H7. Sensitivity of the assay was #1 CFU/g of food including ground beef and bovine feces: results could be obtained within 24 h.

IMPACT/OUTCOME: In addition to allowing for rapid detection and identification of low numbers of *E. coli* O157:H7 in foods and other types of samples, the multiplex PCR can markedly reduce the time required for

confirmation of isolated colonies since lengthy biochemical, serological, and toxin testing could justifiably be eliminated. This technology can enhance the ability of regulatory agencies and industry in testing for *E. coli* O157:H7.

develop a monoclonal antibody-based method for concentrating and identifying Campylobacter jejuni and E. coli in food washes in collaboration with an industry partner. The same reagents will be used to aid in characterizing how C. jejuni attaches to chicken surfaces.

ACCOMPLISHMENTS: ARS has developed a MicroFiltration assay (MFA) for Campylobacter using europium-labeled monoclonal antibodies, and two alternative immunomagnetic beads for the direct detection of *C. jejuni*. Several new approaches for detecting *E. coli* O157:H7 have been developed, a 96-well microplate method, a light addressable potentiometric sensor method using streptavidin coated magnetic beads, a time-resolved fluorescence assay using europium, and an immunomagnetic electro-chemiluminescent method.

IMPACT/OUTCOME: These methods represent a new approach to extracting, concentrating, and isolating bacterial pathogens directly from foods. Sensitivities of 10 bacteria per ml using a single antibody or mixture of antibodies can be directly achieved and with inclusion of an enrichment step, sensitivity to 1 bacteria per gram food. These technologies will be directly transferred to regulatory agencies for evaluation and inclusion in their protocols.

demonstrate the safety of the Brucella abortus RB51 strain in nontarget animal species as a step prior to initiation of a vaccination program of bison and elk within Yellowstone National Park and surrounding areas.

ACCOMPLISHMENTS: ARS scientists at Ames, Iowa, in collaborative studies with scientists in APHIS and the Wyoming Fish and Game Department, evaluated the clinical effects and immune responses against the *Brucella abortus* RB51 vaccine strain in various representative nontarget species of the Greater Yellowstone Area (deer mice, ravens, ground squirrels, coyote, moose, pronghorn, bighorn sheep, and mule deer). The scientists demonstrated that strain RB51 can elicit host immune responses and is safe in these nontarget species. Ongoing studies are evaluating the safety of the RB51 vaccine in pregnant black bears as a model for the endangered grizzly bear.

IMPACT/OUTCOME: These studies provided novel information on the clinical safety and effectiveness of the *Brucella abortus* strain RB51 vaccine for nontarget species in the Greater Yellowstone Area, thus allowing the vaccine to be used to reduce *Brucella* infections in free-range elk and bison populations to reduce the risk of transmission from wildlife animals to domestic cattle.

determine whether ballistic delivery of strain RB51 vaccine is a viable and efficacious method of vaccine delivery for bison.

ACCOMPLISHMENTS: ARS researchers at Ames, Iowa, demonstrated that hand vaccination of bison calves with *Brucella abortus* RB51 strain vaccine significantly enhanced protection against brucellosis. In contrast, ballistic vaccination of bison calves was less effective than hand vaccination. ARS scientists at Ames, Iowa, also showed that the RB51 vaccine was safe for deer mice, ravens, ground squirrels, coyoted moose, pronghorn, bighorn sheep, and mule deer. Some of these nontarget species developed immunity, but no clinical signs of disease.

IMPACT/OUTCOME: These studies provided important background information necessary for initiation of a vaccination program for wild bison and elk within Yellowstone National Park and surrounding areas. The finding of superior effectiveness of hand delivery over ballistic administration for vaccination against brucellosis in wildlife provides important knowledge for future development of optimum vaccination strategy against brucellosis in those areas. Further evaluation of the efficacy of *Brucella abortus* RB51 vaccine delivery methods to wildlife will enhance its practical utilization in the field. Demonstration of the clinical safety and efficacy of the *Brucella abortus* RB51 vaccine, as shown by studies conducted in collaboration with scientists from ARS at Ames, Iowa, and APHIS, will enhance the feasibility of developing a vaccination

program for free-range bison.

determine the efficacy of a new bovine leptospirosis vaccine for use in the U.S.

ACCOMPLISHMENTS: ARS scientists at Ames, Iowa, evaluated new vaccines for bovine leptospirosis in collaboration with two industrial partners. In the first project, now nearing completion, vaccines designed by Pfizer Corp. were evaluated for their ability to prevent urinary shedding of virulent *Leptospira* after live challenge. Data from these studies are still being collected. In the second series of vaccine studies, ARS researchers working on the Spirochete Diseases project in collaboration with a scientist at CSL (Australia) evaluated a novel vaccine formulation against bovine leptospirosis. Results from the first phase of these studies suggested that the vaccine prevents urinary shedding of *Leptospira* in animals challenged with the live virulent hardjo serovar. In the current phase of these studies, ARS scientists are evaluating whether the CSL vaccine is capable of protecting against reproductive failure (abortion, birth of weak offspring) in pregnant cows.

IMPACT/OUTCOME: Although the initial results are promising, further studies are necessary to address important issues relating to the feasibility of this vaccine to prevent *Leptospira* infection and colonization of the kidney by the hardjo serovar. Yet to be determined is whether this vaccine is capable of protecting against other species of serovar hardjo (3 different species share this designation) as well as other genotypes. Because all current vaccine formulations are serovar specific and provide minimal protective immunity against other antigenic types of *Leptospira*, future studies are planned to identify cross-protective antigens for second-generation vaccines that will prevent urinary shedding and infection by these additional serovar types.

determine the role of a newly recognized virus in the etiology of poult enteritis and mortality syndrome in turkeys.

ACCOMPLISHMENTS: ARS scientists at Athens, Georgia, identified a novel strain of astrovirus isolated from the thymus of Poult Enteritis Mortality Syndrome (PEMS) infected turkeys and sequenced the entire genome of a nonhuman strain of astrovirus. ARS researchers then verified that this purified astrovirus caused PEMS-like disease in naive turkey poults as characterized by growth depression, mortality, enteritis and immunosuppression. A new diagnostic test, RT-PCR, was developed to identify conserved and divergent regions of the astrovirus genome and this test kit detected astrovirus in commercial turkey flocks.

IMPACT/OUTCOME: These studies indicate an important role of the new astrovirus in PEMS-associated pathology in turkeys. The RT-PCR test was transferred to scientists at Virginia Polytechnical Institute and Texas Veterinary Medical Diagnostic Laboratory and is currently being used to detect astrovirus in commercial flocks. This test will provide new ways to understand the pathogenesis of astrovirus infection (and PEMS infection) that will ultimately increase basic knowledge on the interactions between the turkey immune system and virus infections and enable the development of a vaccine against turkey PEMS.

GOAL III: A Healthy and Well-Nourished Population Who Have Knowledge, Desire, and Means to Make Health Promoting Choices.

Analysis of Results: This goal is the focus of much of ARS' research related to human nutrition and health. Under Goal III, 7 Indicators are aligned under 3 Performance Goals. Because of the unique and dynamic nature of research, several Indicators were added to the Report that did not first appear in the Annual Performance Plan for FY 2000. This was done to ensure that significant accomplishments that were not anticipated last year were reported. While it is not possible to report research accomplishments numerically, the progress projected in all 7 Indicators were completed or substantially completed during FY 2000.

OBJECTIVE 3.1: Nutritious food: "Maintain an adequate and nutritious ... supply of food to meet human nutritional needs and requirements."

STRATEGY 3.1.1: Human nutrition requirements: Determine requirements for nutrients and other food components of children, pregnant and lactating women, adults, and elderly of diverse racial and ethnic backgrounds.

PERFORMANCE GOAL 3.1.1.1: Indicators of function determined and related to diet and health.

Indicators:

During FY 2000, ARS will

conduct human feeding studies to determine the effects of soy protein in reducing risk factors for heart disease and cancer. The results will help determine if inclusion of soy protein in the diet has beneficial effects on chronic disease occurrence.

ACCOMPLISHMENTS: Research on rats showed that 25-50 percent of chemically induced breast cancer can be prevented by soy protein isolate, which is used in virtually all the soy-based infant formula in the U.S.

IMPACT/OUTCOME: A human feeding study was not conducted since Institutional Review Board (IRB) approval was delayed.

expand the understanding of changing needs for nutrients that occurs throughout the life cycle. Studies will be conducted to determine the relationship between diet and bone health, cognitive and neurological development, and the factors such as energy intake and energy expenditure that lead to obesity in children.

ACCOMPLISHMENTS: A number of projects were completed that address these topics.

Elementary children and junior high school children who were undernourished at a younger age had slower reaction (decision) times and differences in neurophysiology of specific brain areas.

- Determined that body size and behavioral traits play a role in the ability of women to accurately self-report energy intake.

- Found that obesity may not be a protective factor against bone loss for obese women because it is thought that obese individuals are at less risk of developing osteoporosis due to increased weight load on the skeleton.

- Demonstrated that boron has a role in the earliest stages of bone formation in mammals; data suggests that boron may be important in embryo development in humans and supports the concept that boron is an essential nutrient for humans.

- Found the first evidence that zinc status is predictive of mood disturbances and behavior problems in school-aged children.

- Showed that vitamin B12 deficiency is associated with cognitive and behavioral impairment in children, which is also seen in the elderly.

- A study conducted to determine whether gains in bone mineral density induced by calcium and vitamin D supplementation persisted after supplementation was discontinued in elderly men and women showed that the benefits were lost over 2 years after 3 years of supplementation.

- Postmenopausal women require dietary intakes of vitamin K in amounts that exceed the current recommended intakes to restore function of vitamin K in bone.

- Demonstrated that there are differences in parameters that measure cognitive function between cultivated- or wild blueberry-supplemented rats.

- Established contemporary reference standards for body composition for European-, African-, and Mexican-American children; these data serve as the standards for defining obesity in children.

IMPACT/OUTCOME: Findings from these studies add to the body of knowledge on the role that nutrition has in maintaining and improving health. Many of these findings result in scientific recommendations which may lead to changes in dietary recommendations and nutrition policy which affect food assistance programs.

STRATEGY 3.1.2: Food composition and consumption: Develop techniques for determining food

composition, maintain national food composition databases, monitor the food and nutrient consumption of the U.S. population, and develop and transfer effective nutrition intervention strategies.

PERFORMANCE GOAL 3.1.2.1: Transfer new measurement techniques and data to users, release results of surveys, and disseminate effective nutrition intervention strategies.

Indicators:

During FY 2000, ARS will

conduct a study of the validity of 24-hour recall questionnaires conducted both in person and by telephone. Although the costly in-person interview to obtain dietary information is assumed to be the most accurate indicator of dietary consumption, this will be the first test of its validity and comparison made with less costly telephone interviews.

ACCOMPLISHMENTS: The new method using a multiple-pass method was tested in a national random digit dial sample.

IMPACT/OUTCOME: Both quantitative and qualitative data from the study demonstrated that the new multiple-pass method was an effective way to collect a complete 24-hour dietary recall by telephone.

work with the National Center for Health Statistics to combine the dietary portions of the USDA's Continuing Survey of Food Intakes with DHHS' National Health and Nutrition Examination Survey. This will eliminate duplication, reduce costs, and allow for the first time linkage of data on food intake with parameters of health status.

ACCOMPLISHMENTS: Leadership of HHS and USDA have identified a more comprehensive integration of these two surveys as a major priority. Staff members have been engaged in intensive discussions and have arrived at a basic approach. The process of integration has involved input from users of the data.

IMPACT/OUTCOME: Proven and now fully-automated methods of data collection will be used, the needs of customers and stakeholders will continue to be met, and data will be released in a timely fashion. Some issues still remain which are being addressed.

develop accurate procedures for the measurement of flavonoids in foods. The importance of flavonoids as antioxidants in the diet is of increasing interest as is the ability to identify them from various plant sources.

ACCOMPLISHMENTS: Food extraction systems were developed which permit quantitative removal of all classes of flavonoids from foods.

IMPACT/OUTCOME: These extraction systems, coupled with the HPLC system which was developed last year, will greatly increase the speed and decrease the cost of generating data on the flavonoid content of foods. These data will be incorporated in the U.S. National Nutrient Databank.

STRATEGY 3.1.3: Nutritious plant and animal products: Develop more nutritious plant and animal products for human consumption.

PERFORMANCE GOAL 3.1.3.1: Demonstrate improved nutritional quality.

Indicators:

During FY 2000, ARS will

determine the bioavailability of specific food carotenoids and their response in plasma tissue. Since nutrient bioavailability can differ between plant species, it is important to know which ones contain the most available nutrients.

ACCOMPLISHMENTS: Demonstrated that carotenoids can be intrinsically labeled with carbon 13 in food (kale).

IMPACT/OUTCOME: The label can be detected in human plasma.

determine which plant varieties have increased mineral content with potential beneficial effects on human health. Identification of plant varieties with potentially increased nutrient content can greatly affect dietary recommendations and aid at-risk populations.

ACCOMPLISHMENTS: In a greenhouse study, 16 genotypes of Brassicas (broccoli) were screened for their ability to accumulate selenium from treated growth media. Results indicate that there is significant genetic potential within the Brassica genomes to select for species that accumulate more selenium in their edible portions.

IMPACTS/OUTCOME: Work is continuing on a project to increase the density of iron and zinc in edible portions of five staple food crops comprising maize, rice, wheat, beans and cassava.

GOAL IV: To Enhance the Quality of the Environment Through Better Understanding of and Building on Agriculture's and Forestry's Complex Links with Soil, Water, Air, and Biotic Resources.

Analysis of Results: This goal is the focus of much of ARS' research on a wide range of environmental issues related to agriculture. Under Goal IV, 42 Indicators are aligned under 12 Performance Goals. Because of the unique and dynamic nature of research, several Indicators were added to the Report that did not first appear in the Annual Performance Plan for FY 2000. This was done to ensure that significant accomplishments that were not anticipated last year were reported. While it is not possible to report research accomplishments numerically, the progress projected in 42 Indicators was completed or substantially completed during FY 2000.

OBJECTIVE 4.1: Balance agriculture and the environment: "Increase the long-term productivity of the U.S. agriculture and food industry while maintaining and enhancing the natural resource base on which rural America and the U.S. agricultural economy depend."

STRATEGY 4.1.1: Natural resource quality: Develop new concepts, technologies, and management practices that will enhance the quality, productivity, and sustainability of the Nation's soil, water, and air resources.

PERFORMANCE GOAL 4.1.1.1: Demonstrate concepts and on-farm agricultural technologies and management practices that maintain and enhance the environment and natural resource base.

Indicators:

During FY 2000, ARS will

provide multi-year results on the feasibility and cost effectiveness of converting from intensive tillage systems to environmentally enhancing direct seeding crop management systems. This information will contribute to establishing sustainable agroecosystems in the Pacific Northwest.

ACCOMPLISHMENTS: ARS is a partner in a multi-state, multi-institution project that focuses on direct seeding through mulch and standing stubble in unplowed fields. The partnership holds farmer meetings and produces fact sheets, how-to sheets, case studies of operating farms, etc. On the basis of long-term plots, ARS has shown that an early effect of direct seeding is to increase soil compaction (110 percent above that of conventional tillage), but that over time, this effect becomes much reduced (20 percent above conventional tillage after 17 years). A major problem with planting through heavy mulch is that of placing the seed properly to avoid poor stands. In 2000, ARS applied for a patent for a direct-seeding attachment that has been found to increase stand counts from 9 to 53 percent, depending on crop species, soil conditions and amount of crop residue. ARS is also currently researching the suitability of different crops to complement wheat production in direct seed systems.

IMPACT/OUTCOME: There are no firm data on the adoption rate of direct seeding in the Eastern Washington/Oregon area, but there is anecdotal evidence of considerable interest among producers in that region. At a recent meeting on the subject of air quality, publications were made available citing the direct seed experiences of about a dozen farm families. Four years ago, an equipment dealer in Northeast Oregon struggled to sell one direct-seed drill model while today, seven different drills are available. A newly developed drill attachment to plant seeds in conservation tillage systems has recently been announced. National and international machinery production companies have contacted ARS about it, and there are daily calls from other interested parties, including farmers.

finalize the development of methods using flocculants to reduce the transport of weed seeds, microbes, and pathogens in water. This technology will lessen the risks of environmental contamination and ecosystem impacts from chemicals. This information will be shared with NRCS, canal companies, farmers, consultants, and other water users and providers.

ACCOMPLISHMENTS: Scientists at Kimberly, Idaho, showed that applying polyacrylamide (PAM) through this irrigation water after cattle, fish, or swine manures were applied to the soil decreased the number of microorganisms in the runoff water by 99 percent compared to the furrow irrigation practice where no PAM was added.

IMPACT/OUTCOME: The finding suggests that applying PAM into the irrigation water at 10 parts per million not only reduces soil erosion, but can reduce total fecal coliform and bacteria in both the soil and groundwater where manure is being applied to the land from animal feeding operations and aquaculture production systems.

develop cropping systems, rotations and residue management practices to enhance soil quality, while reducing fertilizer and agrochemical inputs.

ACCOMPLISHMENTS: Researchers at Florence, South Carolina demonstrated that site-specific fertilizer recommendations should be based on direct management of soil response, rather than estimates of soil variability.

IMPACT/OUTCOME: Despite the promise of variable-rate fertilizer and water applications through irrigation systems, it has been difficult to recommend precision irrigation on site-specific management because of limitations in the understanding of soil variability. These results show that improved measurements of soil variability will provide an increased ability to apply more accurately different amounts of fertilizer and water under irrigated agriculture.

ACCOMPLISHMENTS: At Temple, Texas, researchers found that two-pass systems allow the use of conventional planters without special attachments, ballasting, etc., for adequate crop establishment and growth, making low-risk conservation tillage workable and manageable for row crops on high-clay soils. A Mandan, North Dakota, research team determined the influences of previous crop and crop residue on crop production and soil quality in no-till cropping systems. Crop production was reduced by up to 50 percent when 2 consecutive years of the same crop were grown compared to 2 years with a different crop. Scientists in

Akron, Colorado, showed that legumes, corn and sunflower can be grown in the central Great Plains region, thereby improving soil quality, decreasing soil erosion, and enhancing economic returns. Ft. Collins, Colorado, scientists enhanced the cropping system/water quality model, RZWQM, to include winter freezing/thawing and a new pesticide process and developed a user-friendly interface. This model is now published. Researchers from Watkinsville, Georgia, evaluated cotton yield and N and P losses in runoff and leachate from a cotton/rye cropping system managed under either conventional- or no-tillage and fertilized with either ammonium nitrate or poultry litter. Results indicate that yield could be improved up to 50 percent water quality maintained by adopting no tillage and fertilizing with poultry litter.

IMPACT/OUTCOME: Alternatives are now available for producers in areas throughout the country to determine which potential crops, rotations, conservation tillage and soil management systems they can use to tailor cropping systems to their management needs. This will enable producers to develop economically advantageous and environmentally friendly production systems.

PERFORMANCE GOAL 4.1.1.2: Experimentally demonstrate the appropriateness of watershed-scale technologies and practices that protect the environment and natural resources.

Indicators:

During FY 2000, ARS will

develop scientifically defensible guidelines and decision-making tools to assist the national dairy, pork, and poultry producer groups; farmers; NRCS; and EPA in developing nutrient management plans for phosphorus and animal manure application. Tools will be provided to establish agronomically and environmentally sound threshold soil phosphorus (P) levels, determine P-based manure application rates, and select effective remedial strategies to minimize P loss to surface waters. This will assist States and national regulatory agencies in meeting their mandates to revise the nutrient management planning process of animal feeding operations, and provide criteria for managing nutrients in water bodies as requested in the Clean Water Action Plan.

ACCOMPLISHMENTS: ARS scientists from University Park, Pennsylvania, and their cooperators have developed a predictive tool called a phosphorus index to identify areas in a pasture that are vulnerable to phosphorus losses.

IMPACT/OUTCOME: Producers, various support agencies (e.g., the NRCS and EPA), and consultants can use the index to determine areas in a pasture where manure can be safely applied and areas where special practices or precautions are required.

complete an evaluation and assessment of different cropping practices and farming systems from the MSEA program that will provide a comprehensive picture of the fate and transport of herbicides, nitrate, and sediment within Midwestern agricultural watersheds. The Clean Water Action Plan and other conservation programs encourage States to develop Federal-State partnerships to assess the potential for using tax incentives to protect water quality, provide increased wildlife habitat, and encourage conservation of critical private lands.

ACCOMPLISHMENTS: Researchers at Columbus, Ohio, have demonstrated that a new water management technology, called a wetland/reservoir subirrigation system (WRSIS), can reduce off-site losses of runoff water, including sediments and nutrients, by as much as 80 percent to lakes and streams.

IMPACT/OUTCOME: A cost benefit analysis of the WRSIS Technology based on current economic values, was used to compare operation and investment costs with benefits such as improved crop production, improved water quality, increased residual land value, decreased tax liability, and wetland mitigation payments for this new water management technology. The results suggest that many farmers will not be able to adopt the system unless a mitigation payment or subsidy is received for the environmental benefits that are provided.

ACCOMPLISHMENTS: A jet test device suitable for measuring stream bed erodibility in the field or laboratory was developed at Stillwater, Oklahoma.

IMPACT/OUTCOME: There was no previously established or accepted procedure for measuring stream bed erodibility, but this new device will be able to ensure optimum placement of stream stabilization methods.

ACCOMPLISHMENTS: The National Sedimentation Laboratory at Oxford, Mississippi, has developed technologies and procedures for characterizing both quality and quantity of sediment impounded in aging hydraulic structures.

IMPACT/OUTCOME: Since more than 10,000 flood control structures built by NRCS are being adversely affected by sediment buildup, the procedures are needed for assessing whether these structures need to be rehabilitated or decommissioned.

ACCOMPLISHMENTS: Scientists at Baton Rouge, Louisiana, demonstrated that controlled subsurface drainage, using underground plastic pipes to maintain the water table at a shallow 2-foot depth, can reduce nitrate-nitrogen losses in the discharge waters by over 20 percent.

IMPACT/OUTCOME: This finding has the potential to reduce nitrogen loadings from a large portion of the Mississippi River Basin to the Gulf of Mexico. Concerns still exist in terms of the high cost of controlled subsurface drainage systems. However, consideration should be given to providing increased funding, under the EPA cost-sharing programs and the USDA conservation program, for this best management practice that may be one of the most feasible alternatives for reducing the hypoxic zone (low level of dissolved oxygen) in the Gulf of Mexico.

demonstrate the effectiveness of natural and constructed biofilters, riparian areas, wetlands, and buffer strips for trapping sediment and other contaminants before they reach surface waters. The Clean Water Action Plan calls for farmers to create two million miles of buffers adjacent to waterways by 2002, construct 100,000 acres of wetlands by 2005, and restore 25,000 miles of stream corridors by 2005.

ACCOMPLISHMENTS: Previous studies have shown that grass buffers can reduce the amount of a herbicide (such as atrazine) being carried to a stream, but new information from Ames, Iowa has shown that the grass buffers can also reduce leaching of the herbicide to groundwater.

IMPACT/OUTCOME: Grass buffers, planted to switchgrass, big bluestem or eastern gamagrass, may have an added advantage of reducing the losses of herbicides to groundwater, over other forested or mixed tree and grass buffers that require a long period of time to establishments. Further research is needed to confirm these results at other locations.

demonstrate how the integration of remotely sensed imagery with ground-based data can be used to obtain spatially distributed information on vegetation and water use in rangeland watersheds. These monitoring strategies and interpretive methodologies will provide ranchers and public land managers with new approaches for improving the management of rangelands.

ACCOMPLISHMENTS: The techniques were demonstrated to ranchers in Arizona.

IMPACT/OUTCOME: These monitoring strategies and interpretive methodologies will provide ranchers and public land managers with new approaches for improving the management of rangelands.

STRATEGY 4.1.2: Global change: Increase understanding of the responses of terrestrial ecosystems to manmade and natural changes in the global environment.

PERFORMANCE GOAL 4.1.2.1: Documentation of agriculture's effects on the global environment.

Indicators:

During FY 2000, ARS will

compare amounts of organic carbon in plots of soil maintained for decades with different tillage and crop production systems in order to define more accurately the extent that conservation practices have removed greenhouse gases from the atmosphere.

ACCOMPLISHMENTS: Identification and quantification of practices that help maintain soil organic matter are necessary to delineate management systems for sustaining crop production without degrading the environment. Long-term experiments are important to assess changes in soil organic matter due to soil and crop management. Carbon was measured in semi-arid soils of the Pacific Northwest where crop management experiments have been conducted by ARS for 30 to 65 years. Most systems lost soil organic matter when rotations included summer fallow. Reducing tillage or adding nitrogen fertilizer to increase crop growth decreased losses of soil carbon.

IMPACT/OUTCOME: Based on these long-term plots, ARS scientists project that soil organic matter can be maintained or increased only if crop residues are returned to soil, erosion is kept below 2-4 tons per hectare, moldboard plowing is avoided, and fallowing is eliminated or practiced one year or less in four or five. These experiments allow development of crop management criteria to maintain soil quality and achieve maximal carbon sequestering capability. Such criteria help guide managers and inform policymakers on development of agricultural resource conservation programs.

ACCOMPLISHMENTS: Researchers from Ft. Collins, Colorado, determined that across a 13 State region in the Great Plains the average rate of soil carbon sequestration was 500 to 900 pounds per acre at Conservation Reserve Program (CRP) sites. Soil conditions in cropland, nearby native grassland, and replanted grasslands (CRP) were compared by Bushland, Texas, researchers. Soil carbon contents were lowest in cropland using plow tillage and fallow periods and highest in native grassland. Higher soil carbon contents improved soil aggregation and other soil properties. Planting grass on cropland improves soil conditions, but crop production is lost. More residue and, therefore, more carbon was added to soil in Colorado and North Dakota when nitrogen fertilizer was used. This data is important to understanding the impact of fertilization on soil carbon. ARS scientists at St. Paul, Minnesota, demonstrated that conservation tillage, corn residue return, and nitrogen fertilization were all required for net increases in soil carbon storage. Scientists at the National Soil Tilth Laboratory documented the relative contributions of surface residue and roots under simulated no-tillage management to the formation of soil organic matter. After a 1-year incubation, 66 percent of the carbon in surface residue had been lost as carbon dioxide, 11 percent was still on the surface, and 16 percent was in new soil organic matter. In comparison, 56 percent of the root derived carbon was respired as carbon dioxide, and 42 percent was in new soil organic matter. ARS researchers in St. Paul, Minnesota, using newly developed chemical characterizations, have developed indicators that humic substances and current soil management play a critical role in the deep formation and persistence of the soil carbon sink below the tillage zone. In Florence, South Carolina, researchers demonstrated that long-term conservation tillage practices will result in a build-up of soil organic carbon in Coastal Plain soil. Soil organic matter levels in the surface 2 inches continue to increase at a rate of 0.1 percent per year in long-term conservation tillage plots that include corn, wheat, and soybean in rotation. In Kimberly, Idaho, scientists found that soil organic carbon was greatest in irrigated pastures, less in conservation tilled crops, less in native sagebrush, and least in plowed fields. Grazinglands, because of their vast areal extent, have a large potential for sequestration of carbon in soil. In El Reno, Oklahoma, scientists showed stocking rate affected the amount of carbon stored in the soil differently for a lighter textured soil than for a heavier textured soil. Soil properties, therefore, must be considered if grazinglands are to be used as a site to store carbon. Pasture management impacts soil C sequestration potential according to research conducted at Watkinsville, Georgia, where researchers determined the amount of carbon in surface residue and soil in grazed versus nongrazed systems. Findings are supportive of the concept of using grazinglands for soil carbon storage.

IMPACT/OUTCOME: Many scientific and policy discussions are currently occurring both at domestic and international levels on the potential for using crop and grazinglands to sequester carbon. Both soil conservation and greenhouse gas reduction benefits can result from using soils to store carbon. As a result of ARS research, such as that provided above, sound scientific information will be available for decision makers and land managers to base their decisions on. For example, this information will be used by an ARS Task Force to provide advisories to farmers and environmental policymakers on the potential for reduction of atmospheric carbon dioxide related to agriculture and to develop soil carbon credit products.

conduct more detailed studies of agriculture's role in greenhouse gas emissions and make more accurate assessments of how changes in soil management can reduce atmospheric CO₂ levels.

ACCOMPLISHMENTS: Knowing the current soil carbon stock, the rate of accumulation, and the total storage potential is important to managing soil resources and advising policy makers. Using land-use data and an internationally accepted method of "carbon accounting," ARS scientists estimated that U.S. crop lands and grazing lands are accumulating 20 million metric tons of carbon per year. In related studies, ARS researchers projected that another 180 million metric tons of carbon might be stored in these soils over the next several decades if production practices best for carbon accumulation were used.

IMPACT/OUTCOME: Management of crop lands and grazing lands in ways that enhance carbon sequestration can have benefits to soil, water, and air quality on and off the farm. These estimates of sequestration rate and storage potential also figured prominently in the U.S. Government's negotiations concerning possible international agreements to limit greenhouse gas emissions. A book was also published to inform the science and policy communities about the potential of U.S. grazing lands to sequester carbon and mitigate the greenhouse effect.

PERFORMANCE GOAL 4.1.2.2: Documentation of how changes in the global environment affect agriculture.

Indicators:

During FY 2000, ARS will

determine how rising CO₂ levels in the atmosphere will alter the yield and water requirements of sorghum, a crop of major importance domestically and internationally, in cooperation with university scientists and the Department of Energy.

ACCOMPLISHMENTS: The concentration of carbon dioxide in the atmosphere has been increasing steadily since the mid-1800s. In addition to its possible influence on agriculture through the "greenhouse effect," carbon dioxide affects crop and grazing plants directly through its effect on photosynthesis and other physiological functions. ARS scientists exposed sorghum plants throughout the growing season to ambient or approximately 1.5X ambient carbon dioxide in a free-air carbon enrichment experiment. Effects of increased carbon dioxide on plant biomass and grain yield were minimal if the plants were kept well irrigated. However, carbon dioxide stimulated growth (by 13 percent) and grain yield (by 17 percent) if the plants were drought-stressed.

IMPACT/OUTCOME: When soil moisture is ample, carbon dioxide is projected to have little impact on sorghum growth and yield. However, sorghum is produced in areas of the U.S. and Africa where drought conditions are common, and in those areas, increased carbon dioxide is projected to increase productivity, assuming no other environmental factors attenuate the stimulation. Food security is an important issue facing the world as both the human population and atmospheric carbon dioxide continue to increase therefore, the results of this research will be important in projecting food supplies and developing food production and management policies around the globe.

conduct research that provides a better understanding of complicated interactions between rising atmospheric

CO₂, rising temperatures and changing amounts of rainfall on crop production, competition with crops, and the availability of water for crop and forage production.

ACCOMPLISHMENTS: "Global change" encompasses many changes in the environment, including long-term alterations in temperature, moisture, and the chemical characteristics of the atmosphere. ARS researchers have conducted experiments to examine some of these interactions. Averaged over four years of experiments, a 50 percent increase in atmospheric carbon dioxide increased seasonal above-ground biomass of wheat plants by 11 percent when plants were adequately irrigated and given nitrogen fertilizer. However, when plants were subjected to drought stress, the growth stimulation by elevated carbon dioxide increased by an average of 15 percent; when the plants were nitrogen-deficient, the growth stimulation by extra carbon dioxide dropped 8 percent. Because increased carbon dioxide causes partial closure of pores on corn and soybean leaf surfaces, less water vapor is lost from leaves in high-carbon dioxide conditions; ARS modeling results showed that the decreased evaporative cooling of the leaves causes increased temperature and decreased relative humidity above the crop and could cause feedback interactions among carbon dioxide, temperature, water loss, and crop response.

IMPACT/OUTCOME: Complex changes in many aspects of the environment make projecting future food production very uncertain. These uncertainties can be reduced only through measuring crop responses to multiple factors in complex experiments. Results of ARS research provides data for crop response models and economic models so that policymakers and resource managers can have greater confidence in projections of agricultural production in the future when environmental change and variability could be greater than it is today.

STRATEGY 4.1.3: Cropland and grazingland sustainability: Develop cropland and grazingland management strategies that will improve quality, quantity, and sustainability of food and fiber products needed for U.S. competitiveness.

PERFORMANCE GOAL 4.1.3.1: Demonstrate cropland and grazingland management strategies that improve productivity and efficiency of croplands and grazinglands.

Indicators:

During FY 2000, ARS will

test a distributed hillslope sediment yield model coupled with NRCS range site descriptions to assess rangeland health. The simulation model will provide a repeatable means to quantify the soil/site stability component of the rangeland health assessment methodology.

ACCOMPLISHMENTS: The tests were successful.

IMPACT/OUTCOME: The simulation model will provide a repeatable means to quantify the soil/site stability component of the rangeland health assessment methodology.

release new varieties of forage grasses better adapted to the environmental conditions of the Great Plains and the Inter-mountain West, which are more productive and more persistent on grazed rangelands and pastures.

ACCOMPLISHMENTS: At St. Paul, Minnesota, scientists have isolated two genes involved in the production of organic acids that provide the energy for symbiotic nitrogen fixation in alfalfa root nodules. They also found another gene that regulates root nodule formation. Knowledge of these genes is being used to develop alfalfa varieties that are more efficient nitrogen fixers and more useful in phytoremediation of nitrate-contaminated sites. At Logan, Utah, scientists have made available a cultivar of crested wheatgrass, called RoadCrest, that will increase soil conservation along roadsides and similar sites.

IMPACT/OUTCOME: Improving the adaptability, establishment, persistence, productivity and quality of forage plants for livestock production improves profitability by reducing costs, increasing animal performance, and conserving natural resources. Using improved forage plants for other uses such as phytoremediation and turf grasses helps lower the costs of conservation and environmental improvements.

propose prototype procedures and methods for assessing the ecological status or "health" of rangelands in cooperation with NRCS and EPA.

ACCOMPLISHMENTS: At Las Cruces, New Mexico, researchers released a manual on desert rangeland monitoring for range conditions and ecological health. Workshops have been held to train public and private land managers to use the manual which is now being evaluated in the field and revised as needed.

IMPACT/OUTCOME: Provide land managers and other interested parties with useable, simple, affordable and sustainable technologies for monitoring and assessing desert rangeland conditions so that timely action can be taken to improve management practices.

genetically characterize (sequence or clone) at least one of the several genes for asexual seed reproduction of eastern gama grass, a native forage plant. Detailed knowledge of this and related genes will help researchers produce hybrid crops with genetic characteristics that are stable over generations, which may tangibly decrease hybrid production costs.

ACCOMPLISHMENTS: The shift in eastern gamagrass from sexual to asexual (apomixes) reproduction is correlated with chromosome number. Sexual reproduction occurs with 36 chromosomes while apomixes usually occur with a higher number. However, ARS scientists have produced two hybrid plants with 72 chromosomes that reproduce sexually and produced sufficient seeds for inheritance studies to help isolate the genes controlling asexual reproduction. Such complexity in chromosome numbers indicates that the genetic control of apomixes may be more indirect than thought and isolating and characterizing the responsible genes will be challenging.

IMPACT/OUTCOME: While genetically characterizing apomixes is high-risk research, success would have profound consequences by providing a low-cost way of stabilizing the genetic constitution of improved varieties and allowing hybrid vigor and uniformity to be faithfully transmitted to subsequent generations of forages, corn and other cereal crops.

expand research on grazing management, especially as related to development of approaches to grazinglands utilization which are more environmentally compatible, and that will provide land managers with tools for enhancing the ecological condition of grazing lands. Research will also be initiated on the foraging behavior of livestock to provide guidance for testing methods of improving forage utilization by improving the distribution of livestock across extensive areas of rangeland. New research will be directed at integrating multiple sources of forages (from croplands, annual and perennial pastures, and rangelands) to provide green forage over a longer portion of the year, thereby reducing a producers' need to purchase expensive feeds from off farm sources.

ACCOMPLISHMENTS: The completion of long-term grazing trials has provided information on the relationships between grazing management and ecological conditions. A 60-year grazing trail on the Central Plains Experimental Range near Nunn, Colorado found that plant biodiversity was greatest under moderate and heavy stocking rates. Under light grazing, the plains prickly pear cactus dominated. A 10-year project at Woodward, Oklahoma determined that a sustainable carrying capacity for all resource values on sandy grasslands in the Southern Great Plain was about 17 acres per cow-calf production unit. A key tool in managing vegetation and ecological condition is controlling where animals graze. Water and salt placement have long been used to influence the distribution of beef cattle. Experiments at Burns, Oregon using global positioning system collars in the northern Great Basin found that water can be used effectively but salt is not effective as a distribution tool. A problem in the southeast is the seasonal limitations of the tropical warm-season grasses commonly used. These grass are well adapted to the region but do not grow well during the

winter season, have relatively low nutritional value and require high levels of nitrogen fertilization. One solution is to grow a tropical forage legume, *Leucaena*, with the grasses. However, *Leucaena* will cause toxicity problems in both livestock and zoo animals unless the right mix of rumen bacteria are present. ARS researchers at Brooksville, Florida, worked with the University of Florida and Walt Disney World's Animal Kingdom to find safe ways to transfer bacteria cultures into wildlife and livestock that lacked them. They compared transferring cultures donated from previously colonized animals with preserved (frozen) pure cultures. The pure cultures worked satisfactorily and opens the way to transferring cultures without the risk of also transferring disease. While this is important to livestock producers, it is vital when there is a need to transfer a culture to endangered species maintained in zoos.

IMPACT/OUTCOME: Understanding the interrelationships between livestock, forages and ecosystems is vital to designing practical management systems that are simultaneously profitable, environmentally sound, and provide options for dealing with disease, pest and climatic risks.

indicate methods for the establishment of livestock, forages, and trees in agroforestry systems.

ACCOMPLISHMENTS: Quantified herbage productivity, seasonal distribution, and botanical composition of a mixture of sown grasses and legumes growing in a light gradient under an established stand of conifers (mixed species). Mature sheep grazed the existing understory of the coniferous tree site, were used to tread in surface applied seed and grazed the canopy as part of a rotational grazing system. Herbage was extremely low in nonstructural carbohydrates and relatively high in total nitrogen suggesting possible nutritional concerns for growing livestock.

IMPACT/OUTCOME: Findings will serve as a basis to optimize land-use efficiency and develop multiple-use options for wooded sites on pasture-based livestock farms.

OBJECTIVE 4.2: Risk management: "Improve risk management in the U.S. agriculture industry."

STRATEGY 4.2.1: Economic and environmental risks: Reduce economic and environmental risks through improved management of agricultural production systems.

PERFORMANCE GOAL 4.2.1.1: Risk-reduction strategies and methods transferred to the Nation's agricultural industry.

Indicators:

During FY 2000, ARS will begin integrating remotely sensed data with crop growth models. This information will be used to increase the accuracy of decision support tools for crop production and profitability.

ACCOMPLISHMENTS: New indices and sensors were combined and tested at Phoenix, Arizona, and Lincoln, Nebraska, to improve opportunities for the precision application of fertilizer and water, to enhance groundwater quality. At Phoenix, the researchers used a combination of a new canopy chlorophyll content index and a refined crop water stress index to detect nitrogen and water deficiency, while researchers at Lincoln, Nebraska updated the chlorophyll index to improve estimates of crop nitrogen and grain yield predictions.

IMPACT/OUTCOME: The ability to convert remotely-sensed data into treatment maps for fertilizer applications on irrigated and dryland crops and for irrigation water application on irrigated crops, provides agricultural producers with a powerful and cost-effective management tool.

STRATEGY 4.2.2: Weather and environmental risks: Develop concepts and technologies for predicting and reducing the socio-economic costs and resource damages associated with extreme weather variability.

PERFORMANCE GOAL 4.2.2.1: Improve strategies and technologies that reduce the effects of extreme weather variability.

Indicators:

During FY 2000, ARS will demonstrate a technology to provide geographically site-specific radar-based precipitation estimates for public and private lands that lack on-site precipitation measurements, enabling producers and resource managers to better cope with extreme weather variability in scheduling vegetation management and cropping and grazinglands operations.

ACCOMPLISHMENTS: Building on other agencies' efforts enables ARS scientists to develop ways to predict and manage water resources in the face of weather and climate variability. ARS researchers developed new coefficients for a model used by the National Weather Service to convert data obtained by radar to estimate precipitation. The ARS coefficients improved the accuracy of a models' estimates of precipitation that falls during storms in the Inter-mountain West.

IMPACT/OUTCOME: Historically, weather and climate variability and unpredictability have been the greatest constraints to agricultural production, so any improvements made in predictions and understanding their limitations helps managers plan for water availability. This research reduces the unpredictability of water supplies in western rangelands, where water availability for forage plants can limit animal productivity. Better knowledge of water availability helps producers plan seasonal production strategies around the supply of water resources.

ACCOMPLISHMENTS: Scientists at the Northwest Research Center at Boise, Idaho, developed a new and improved model that will enable the National Weather Service to improve radar-precipitation estimates in the Inter-mountain West.

IMPACT/OUTCOME: The National Weather Service operates the NEXRAD Doppler radar systems at more than 150 sites across the west. The computer model used to improve estimates of precipitation and provide advance prediction for weather hazard assessments, which was developed at the Boise NEXRAD radar location can likely be extended to other sites in the Northwest.

ACCOMPLISHMENTS: An analysis of the rainfall records of the Great Plains by scientists at El Reno, Oklahoma, showed that the ability to predict actual precipitation values at some specific location remains quite limited.

IMPACT/OUTCOME: These findings indicate that it is extremely difficult to predict the long-term effects of drought for both agricultural and rural communities. The lack of predictive capability leaves the potential impact of future agricultural productivity and the potential for meeting the water requirements of the rural communities in doubt.

ACCOMPLISHMENTS: Research conducted at Coshocton, Ohio, on groundwater conditions showed that stable estimates of average and median concentrations can be achieved if 10 wells were used with a well density of one well per acre.

IMPACT/OUTCOME: While these results may not have general application, they document that the natural variability of water quality in underlying aquifers must be considered when characterizing specific conditions, determining sampling needs, and assessing the effectiveness of measures to protect these resources.

ACCOMPLISHMENTS: Scientists in Oxford, Mississippi, saved the U.S. Army Corps of Engineers an estimated \$3.4 million by performing an extensive topographic evaluation of the Yalobusha River Basin which reduced the number of required grade control structures the Corps would have to use.

IMPACT/OUTCOME: The potential for catastrophic flooding along the downstream reaches of a River Basin

has increased dramatically since the 1960s because of channel dredging, straightening, and resulting natural processes. The evaluation system that was used could work in other stream systems and save a significant amount of time and money in remediation efforts, disaster cleanup, and disaster relief.

OBJECTIVE 4.3: Safe production and processing: "Improve the safe production and processing of, and adding of value to, U.S. food and fiber resources using methods that maintain the balance between yield and environmental soundness."

STRATEGY 4.3.1: Environmentally safe pest management: Develop environmentally safe methods to prevent or control pests (insects, weeds, pathogens, etc.) in plants, animals, and ecosystems.

PERFORMANCE GOAL 4.3.1.1: Deliver integrated pest management strategies that are cost effective and protect natural resources, human health, and the environment.

Indicators:

During FY 2000, ARS will

develop new methods to mass produce beneficial insects such as parasites and predators of insect and weed pests. develop new artificial diets, automate processing and harvesting equipment, and improve methods of distributing and releasing mass produced beneficial biological control agents.

ACCOMPLISHMENTS: ARS scientists at the Biological Control and Mass Rearing Research Unit in Starkville, Mississippi, have developed a new rack for holding *Lygus* species (such as tarnished plant bug) egg packets for parasitization by *Anaphes iole* that is 43 percent more efficient than the previously used rack, allowing semi-automated harvesting of eggs. The scientists also developed: an artificial diet, which contains no insect components, and techniques that support *in vitro* development of *A. iole* to the prepupal stage; and a mechanized device for preparing Gelcarin oviposition packets for rearing of *Lygus* species.

Developed an improved artificial diet for rearing of the coffee berry borer.

Developed artificial diet (patent pending) for phytophagous and zoophytophagous stinkbug insects (e.g., *Lygus* species) that allows production of species that could not previously be reared on artificial diets, and reduces costs of producing these insects by 95 percent.

Developed new technique ("dimple method") for packaging/delivering artificial diets for lacewings and other predatory bugs (tested by ARS and by a CRADA partner, Beneficial Insectary). Approved by Patent Committee for patent application.

IMPACT/OUTCOME: Improved diet for the insect predator *Geocoris punctipes*, including discovery of anti-nutrients and ways of ameliorating them. Also, discovered sources of dietary degradation and methods of preserving diets, and diet-borne factors that reduce oxidative stress.

identify new sampling and control procedures for the Asian longhorned beetle, a newly introduced pest that is damaging many species of hardwood trees in New York City and Chicago. This may include the identification of chemical attractants produced by either the beetle or by its preferred host plants.

ACCOMPLISHMENTS: First found in the U.S. infesting trees in New York in 1996 and in Chicago in 1998, Asian longhorned beetles (ALB) have been intercepted at ports in 17 states. ARS scientists at Newark, Delaware, have discovered new information never before recorded on ALB feeding behavior. The scientists and colleagues at the State University of New York in Syracuse have been developing a feeding noise recognition system. It generates an acoustic "fingerprint" as the beetle larvae feed within the two different tree tissues that they commonly inhabit - inner bark and inner wood. A functional prototype detection system should be available within a year.

IMPACT/OUTCOME: An acoustical Asian longhorned beetle detection system should give scientists and the regulatory agencies effective technology to detect trees which are infested so control measures can be implemented in a timely manner to help mitigate the spread of this destructive pest.

develop new biological control agents for several major target weed species including kudzu, tropical soda apple and saltcedar. Methods are currently being developed to mass produce parasitized caterpillars that can be released on kudzu. ARS scientists believe that these beneficial agents will not only eat the kudzu, but the resulting parasites are expected to attack and kill crop damaging caterpillars in nearby agricultural fields.

ACCOMPLISHMENTS: Three insect species were received into the Containment Facility at Temple, Texas for biological control of saltcedar: *Diorhabda elongata* from China and Kazakhstan, *Psectrosema noxium* from Kazakhstan, and *Cryptocephalus sinaita* from Israel. Field-cage studies of *D. elongata* were conducted at ten sites across six western states. A native true bug, *Tupiocoris notatus*, was found to induce chlorosis on tropical soda apple. Additionally, common fungi (*Fusarium* and *Colletotrichum*) were found to infect tropical soda apple.

IMPACT/OUTCOME: *Diorhabda elongata* was found to be host-specific to saltcedar, and it caused up to 90 percent defoliation in field-cage studies. Successful host range testing and overwinter survival fulfilled requirements of Fish and Wildlife Service (F&WS) and APHIS, and release permits from the field cages into the open field were issued by APHIS for test sites for spring 2001. This will initiate the 2-year experimental monitoring required at the sites before F&WS/APHIS reviews and gives final approval for full release. The soda apple bug lowered biomass and seed production of tropical soda apple in greenhouse tests. In small outdoor test plots, mortality of tropical soda apple infected with *Fusarium* and *Colletotrichum* was 80 percent. Because the bug and fungi are native or already have become established in the U.S., quarantine clearances are not required for release of the organisms.

develop new biochemical methods to identify the feeding preferences of several beneficial insects under natural field conditions. Using ELISA and biochemical markers, and/or rare elements, the feeding patterns and impact of natural occurring beneficial insects will be assessed and the information used to help cotton and grain farmers avoid making unnecessary pesticide applications to their crops.

ACCOMPLISHMENTS: ARS scientists at Stillwater, Oklahoma, have developed a polymerase chain reaction (PCR) system for six species of Great Plains cereal aphids and demonstrated that it can be used to distinguish two closely related aphid species, the corn leaf aphid and bird cherry oat aphid, in the guts of ladybird and lacewing predators. This enables ecological investigations of the feeding preferences of these important biological control agents. Similarly, the group developed a PCR system for cereal aphid parasitoids of two wasp families and demonstrated their use in detecting parasitization. A PCR system was developed for separating closely related parasitoids of the Russian wheat aphid, and used it for the first time to demonstrate the establishment of an exotic parasitoid released in a classical biological control program.

IMPACT/OUTCOME: A subfamily-specific monoclonal antibody was used to study egg predation on the Old World bollworm.

collect parasitic insects from native apple orchards in Kazakhstan and China where apples and apple pests originate, then introduce them into U.S. areas to control exotic pests such as the codling moth and apple leafrollers.

ACCOMPLISHMENTS: ARS scientists in Yakima, Washington and University of California collaborators have made four natural enemy explorations to Kazakhstan and China, as well as into Uzbekistan and Kyrgyzstan. Six parasites of codling moth were collected and imported to the U.S.; three of these natural enemies have been released into the States of Washington and California. One parasite species (*Mastrus ribibundus*) has been provided to ARS collaborators for release in Colorado, Wisconsin, Minnesota, Pennsylvania, and Arkansas. A cooperative agreement with a scientist in Kyrgyzstan is ongoing and designed to evaluate the parasitoid complex of apple-feeding leafrollers.

IMPACT/OUTCOME: Imported parasite species from Kazakhstan have become established in numerous organic orchards where they were released. Parasitism of codling moth runs as high as 50 percent, thus significantly reducing populations of the pest and apple damage.

develop new remote sensing technology to identify pest attacks on important crop production and natural areas where exotic insects and diseases threaten to cause economic and/or environmental losses. Aerial photography surveys linked with geographic information systems to organize and display complex pest and weather data will assist scientists, extension agents, and farmers in making pest control decisions.

ACCOMPLISHMENTS: ARS scientists at Stillwater, Oklahoma, have preliminary data that indicate that the spectral reflectance of three bands of light (green, visible red, and near infrared) differ among wheat plots infested with differing population levels of greenbugs. This may lead to improved remote sensing of aphid populations in wheat and other crops.

IMPACT/OUTCOME: Stillwater scientists completed development and validation of a computer simulation model for the Russian wheat aphid on susceptible and resistant wheat varieties. This will serve as an aid in determining deployment strategies for resistant varieties that have been developed and as a pest management decision-making tool.

continue to provide critical identifications of unknown pest species, provide taxonomic revisions of critical groups of insects, identify new biological control agents, and produce updated keys to agriculturally important insect groups.

ACCOMPLISHMENTS: The Systematic Entomology Laboratory provided over 12,000 identifications of pest and beneficial insects to State, Federal, and private users in the last year. A major taxonomic treatment of pest armyworms was completed along with an identification key and an on-line database.

IMPACT/OUTCOME: The identifications provided have helped APHIS/PPQ stop new pests from entering the U.S. and mitigated the impact of pests already present. The identification key to armyworms is aiding pest managers and regulators to control these harmful pests on farms.

continue to collect and ship many new exotic biological control agents to ARS quarantine laboratories in Albany, California; Stoneville, Mississippi; Newark, Delaware; and Temple, Texas. The agents will be tested for their host specificity and appropriateness for release into the U.S. environment to control introduced pest insects and weeds.

ACCOMPLISHMENTS: ARS scientists, working with a large and diverse array of national and international agencies and scientists, received for the control of: coffee berry borer – one parasitoid from Latin America; for tropical soda apple – plant feeding *Gratiana* sp. from South America; for plant bug pests – *Campoletis* sp. and *Leiophron* sp. from Argentina; for Formosan subterranean termite – pathogens from Asia; for saltcedar – leafbeetles from China, and four other natural enemies from Eurasia; for eucalyptus psyllid and melaleuca – natural enemies from Australasia; for cape Ivy – a gall fly and stem-boring moth from South Africa; for giant reed – new natural enemies from India and Nepal; for yellow star thistle – two natural enemies from Eurasia. The Newark lab, alone, collected or received 21 species, successfully reared 11 species, sent eight of these latter species to other investigators, and screened three species for host specificity.

IMPACT/OUTCOME: Parasitoids received for coffee berry borer have been released from quarantine for initial lab studies. Plant bug parasitoids are in initial culture stage. Tropical soda apple control agents are being reared in the greenhouse for efficacy studies. Certain pathogens isolated for termites show high efficacy in the laboratory. ARS received final state and federal approval for the open field release of saltcedar leafbeetles in spring 2001. Field cage studies in summer 2000 demonstrated total defoliation of test saltcedar plants in multiple sites across six western states. Based on the safety shown in the ARS tests, University of California-Berkeley scientists are now making open field releases in Southern California of a natural enemy of eucalyptus psyllids.

The cape ivy gall fly (*Parafreutreta regalis*) and a stem-boring moth (*Acrolepia* sp.) have the potential to significantly reduce the damage caused by Cape Ivy. New natural enemies of saltcedar and giant reed have the potential to significantly reduce the damage caused by these pest plants, and the testing currently underway both in the Albany quarantine and overseas will verify the safety of these agents. After host screening, a tachinid fly was released against gypsy moth in Maryland. Four species of parasites were released against the papaya mealybug, a new pest in Florida and Puerto Rico during 2000. Three species of pink hibiscus mealybug parasites released during 1998-2000 in the Virgin Islands are now established, and their efficacy is being evaluated by APHIS. In addition, 14 species of natural enemies were sent to cooperating scientists in ARS, Forest Service, state agencies, universities, and industry for further study during 2000.

release and evaluate new biological agents to control insect pests such as the silverleaf whitefly and the pink hibiscus mealybug. Both of these pests attack a large number of crop plants and cause extensive economic losses in areas where infestations occur. Scientists will attempt to control similar pests in the Caribbean Basin before they can invade the Continental U.S.

ACCOMPLISHMENTS: The southeastern and western parts of the U.S., particularly Florida and California, are subject to periodic introductions of exotic pests, such as the silverleaf whitefly and pink hibiscus mealybug. These exotic pests spread because of a lack of effective natural enemies to keep them in check. Exploration for candidate biological control agents has been ongoing for both of these pests by ARS scientists in Montpellier, France, in collaboration with the Animal and Plant Health Inspection Service (APHIS). Improvements in rearing pink hibiscus mealybug and its natural enemies have increased the capacity for large-scale rearing of parasitoid wasps and widened their distribution throughout infested areas of the Caribbean and the Americas by ARS scientists at Ft. Pierce, Florida. The foreign exploration for natural enemies of silverleaf whitefly is largely completed. However, evaluation of the spread and establishment of exotic natural enemies released in the U.S. continues as a cooperative effort between ARS, APHIS, and the universities across the southern tier of the U.S.

IMPACT/OUTCOME: Research by scientists involved in a consortium effort from Texas, Florida, Arizona, and California shows that several introduced exotic parasitoids have survived over the years and are showing signs of establishment and control of silverleaf whitefly. The improved rearing methods for pink hibiscus mealybug have been transferred to USDA-APHIS and the Puerto Rico Department of Agriculture, who have been able to substantially increase their production of natural enemies for release and evaluation of control agents for this serious pest.

complete the shift of internal resources of the weed science program so that two-thirds of the resources are directed to biologically-based integrated weed management in line with the USDA Strategic Plan for "Invasive and Noxious Weeds" and the ARS Strategy on "Noxious and Invasive Weeds."

ACCOMPLISHMENTS: Scientists at Weslaco, Texas, used serial photography with global positioning systems to detect and map the invasive weeds in the Rio Grande River of south Texas caused by drought and weather variability.

IMPACT/OUTCOME: These invasive species maps are useful to water districts and wildlife management personnel, who are responsible for developing and implementing programs to control noxious weeds.

ACCOMPLISHMENTS: More than two-thirds of the weed science research budget has been shifted to programs pertaining to insects and diseases.

IMPACT/OUTCOME: Studies on insects and diseases may lead to development of biological control of weeds.

begin to change how biological weed control programs are planned and conducted in ARS. Scientists will

prepare a long-term management plan for each targeted weed. The plans will concentrate on measuring the long-term impact of released biological control agents on a target weed and on closely related nontarget plants, incorporate cultural control/revegetation as an integral part of the biologically-based weed management program, and emphasize developing partnerships.

ACCOMPLISHMENTS: Long-term management plans, including assessment of biological control agent impact, revegetation, and nontarget effects have been prepared for *Melaleuca*, the paperbark tree, in the Florida wetlands, saltcedar, and weed of riparian areas, and for leafy spurge, an important weed of the Western Plains.

IMPACT/OUTCOME: Work to manage all three weeds is being coordinated with other Federal and State partners and university stakeholders.

STRATEGY 4.3.2: Integrated agricultural production systems: Develop knowledge and integrated technologies for promoting use of environmentally sustainable agricultural production systems.

PERFORMANCE GOAL 4.3.2.1: Demonstrate the effectiveness of integrated agricultural production systems in the improvement of natural resources and protection of the environment.

Indicators:

During FY 2000, ARS will combine the most appropriate attributes of the SPUR (Simulation of Production and Utilization of Rangelands) and WEPP (Water Erosion Prediction Program) models to produce an advanced simulation model SPUR-2000 that range management specialists can use to assist ranchers, and improve resource conservation and management at ranch and watershed scales in cooperation with NRCS.

ACCOMPLISHMENTS: SPUR2000 has been finished and a paper announcing and describing its characteristics accepted for publication. In the near future it will become available at the web site: <http://www.nwrc.ars.usda.gov/models/index.html>.

IMPACT/OUTCOME: The model has been used by NRCS in Nebraska to evaluate the impacts of conservation practices on land and water resources of Major Land Resource Area 106.

PERFORMANCE GOAL 4.3.2.2: Provide computer-based models and decision-support systems to farmers, public agencies, and private organizations.

Indicators:

During FY 2000, ARS will

field test the performance of decision support systems for water quality protection with NRCS. The field tests will assess how decision support systems, which include an embedded simulation model and a multi-objective decision-making component, can improve NRCS conservation planning and help ranchers select improved management systems. (Revised for clarity.)

ACCOMPLISHMENTS: Research has been completed on grazing management and water quality effects using a multi-objective decision support system developed at the Southwest Watershed Research Center in Tucson, Arizona. Sixteen years of measured and calculated data from four experimental watersheds showed that brush control and grazing management can be evaluated with the decision support system to reduce runoff and sediment losses and maximize production of vegetation.

IMPACT/OUTCOME: The decision support system is now being used by NRCS to evaluate the sustainability of rangeland health. In the future, ARS will be delivering a modification of this decision support system to

NRCS and other customers to improve conservation planning and water quality protection for the croplands in the Midwest.

release the Kineros2 rainfall-runoff-erosion model on an Internet accessible website. This model will provide improved estimates of runoff flood peaks and soil erosion rates for designing efficient flood control structures and evaluating erosion control strategies.

ACCOMPLISHMENTS: The model is available for download at the web site, <http://www.tucson.ars.ag.gov/kineros/>.

IMPACT/OUTCOME: Seven major improvements have been made to the model. They are described on the above web site. The model will provide improved estimates of runoff flood peaks and soil erosion rates for designing efficient flood control structures and evaluating erosion control strategies.

field test decision support tools for the assessment of soil quality in cooperation with NRCS. The tools will range from brochures to computer programs. They are intended for use by farmers and other land managers to enable them to select management systems to enhance soil and environmental quality.

ACCOMPLISHMENTS: ARS scientists at the National Soil Tilth Laboratory, in cooperation with NRCS and CSREES, successfully completed a pilot study documenting how the NRCS National Resources Inventory framework can be used to monitor soil quality at a regional scale. The results demonstrate that it is possible to monitor changes in surface soil properties at the regional scale, but the ability to detect significant changes will vary depending on the soil property being evaluated. Also developed was a flexible framework for indexing soil quality. This framework was used to provide preliminary information to organic and sustainable agriculture farmers in the Central Valley of California. Akron, Colorado, researchers in cooperation with NRCS, quantified how rotation sequence and decrease in fallow periods affects soil quality. Soil health was improved by eliminating summer fallow and using conservation tillage, and was influenced by crop rotation sequence. Soil quality assessments done by ARS researchers in Lincoln, Nebraska, demonstrated the utility of no-tillage management in maintaining soil quality and conservation benefits when CRP grasslands are returned to cropland.

IMPACT/OUTCOME: Maintaining and enhancing the soil resource is critical for sustainable food and fiber production and environmental quality. ARS has provided an understanding of relationships among inherent soil properties and dynamic soil biological, chemical and physical processes--especially with regard to carbon storage, soil aggregation, nitrogen and phosphorus cycling, and nitrogen use efficiency under different management systems. It has also led to the development of management practices to mitigate the off-site movement of pesticides into soil and water resources. The research and soil quality indexing techniques have generated substantial interest both in the U.S. and around the world. ARS has provided significant international leadership toward development and implementation of tools on soil quality for assessing the sustainability of agricultural and other soil management practices.

STRATEGY 4.3.3: Waste management and utilization: Develop and transfer cost-effective technologies and systems to use agricultural, urban, and industrial wastes for production of food, fiber, and other products.

PERFORMANCE GOAL 4.3.3.1: Demonstrate technologies to store, mix, compost, inoculate, incubate, and apply wastes to obtain consistent economic benefits while at the same time minimizing environmental degradation, nutrient loss, and noxious odors.

Indicators:

During FY 2000, ARS will

demonstrate that specially designed municipal biosolid composts can be used to remediate metal contaminated sites at a fraction of the cost of soil removal and replacement methods.

ACCOMPLISHMENTS: Specially designed mixtures or composts of municipal biosolids and other readily available byproducts have been used by scientists at Beltsville, Maryland, to revegetate and restore barren, highly metal-contaminated soils. Hazards associated with excess soil levels of zinc, lead and cadmium were overcome and a favorable environment for plant growth created.

IMPACT/OUTCOME: This remediation method allows contaminated sites to be reclaimed at a cost of \$2,000-\$10,000 per acre while soil removal and replacement methods cost about \$1,000,000 per acre-foot.

conduct research to link the manure management model with the beef production system model for use in raising beef cattle.

ACCOMPLISHMENTS: ARS scientists at Clay Center, Nebraska have developed a predictive computer model, based on knowledge of nutrient transformation mechanisms, to estimate the amount of nutrients contained in beef cattle feedlot manure for cropland application.

IMPACT/OUTCOME: The model has been used to identify information gaps and has been modified to serve as a producer decision tool. Efforts to link the manure management model to a beef production model have been more difficult than initially envisioned therefore, this goal has not been completed. The eventual linkage of the two models will allow beef cattle diets to be designed to make efficient use of feed nutrients, while providing guidelines for safe and efficient use in cropping systems of the manure generated.

develop new technologies for managing livestock waste and reducing odor production and emissions.

ACCOMPLISHMENTS: Treatment systems to manage nitrogen in wastewater depend on microbial transformations of nitrogen from ammonium to nitrate forms (nitrification) and from nitrate to nitrogen gas (denitrification). ARS scientists from Florence, South Carolina used a municipal wastewater treatment technology, based on immobilization of nitrifying bacteria inside permeable polyvinyl beads, to remove ammonia from swine wastewater. In a one year pilot test of the technology, the immobilized nitrifying bacteria could remove 500 grams of ammonia-nitrogen per cubic meter of reactor per day.

IMPACT/OUTCOME: This technology has the potential to treat large amounts of ammonia in swine wastewater that would otherwise volatilize and escape to the environment.

evaluate near-infrared spectroscopy as a technique for quick analysis of nutrients in manure.

ACCOMPLISHMENTS: Producers need an estimate of the amount of nutrients in manure and the rate at which they will be supplied to crops. ARS scientists at Beltsville, Maryland have found that chemical "quick" tests gave a reasonable estimate of ammonia nitrogen in manure, but not organic nitrogen. However, they were able to demonstrate that the instrumental technique, near infrared spectroscopy, could be used to determine both ammonia and organic nitrogen in dairy manure.

IMPACT/OUTCOME: The eventual development of a portable near-infrared based instrument would allow rapid testing of nitrogen in manure. This information would allow producers to apply manure at rates needed by crops, while avoiding excess application rates that would pose a threat to water and air quality.

develop strategies to reduce emission of volatile organic compounds including ammonia from manure.

ACCOMPLISHMENTS: ARS scientists from Fayetteville, Arkansas found that treatment of poultry litter in commercial houses with alum (aluminum sulfate) could lower ammonia emissions and reduce the solubility of phosphorus in the manure. Field trials conducted in 15 states and on more than 30 million chickens demonstrated that the technology was cost-effective, that it reduced ammonia volatilization by up to 97 percent during the first four weeks of broiler production, and reduced runoff of phosphorus by 75 when alum treated litter compared to untreated litter was applied to pastures.

IMPACT/OUTCOME: This treatment technology improves broiler health while protecting air and water quality. Last year approximately 500 million broilers were produced on alum treated litter.

evaluate urease inhibitors, antimicrobial agents, and odor-masking agents in combination for controlling ammonia and odor emissions.

ACCOMPLISHMENTS: Scientists from Clay Center, Nebraska found that treatment of beef and swine manure with compounds such as essential oils and urease inhibitors reduced emissions of ammonia and other odorous constituents, and killed pathogens.

IMPACT/OUTCOME: Based on this research a commercially available product is now being marketed to control ammonia and odor emissions from beef and swine manure.

evaluate microbial cultures for seeding biofilters and biocovers for reducing odor from manure.

ACCOMPLISHMENTS: Researchers at Clay Center, Nebraska are developing methods for odor consumption using microbial communities found in feedlot soils and animal wastes. Their research, which is currently underway, involves identifying microorganisms responsible for odor consumption, stimulating the activity of these organisms, and using them in biofilters and biocovers to enhance their odor consumption capacity.

IMPACT/OUTCOME: This research should result in the development of reduced-cost, microbially-enriched treatment systems, which will metabolize odorous compounds to nonoffensive entities.

PERFORMANCE GOAL 4.3.3.2: Demonstrate the conversion of agricultural waste into liquid fuels and industrial feedstocks.

Indicators:

During FY 2000, ARS will

develop bioprocess and metabolic engineering technologies that expand biofuel feedstocks and add value to agricultural wastes.

ACCOMPLISHMENTS: Biomass contains a mixture of sugars: glucose, arabinose, galactose, and xylose. Normally, the presence of glucose inhibits the ethanol producing microorganisms from using the other sugars until glucose is exhausted. ARS scientists developed a series of recombinant ethanol producing microorganisms that use all of the above sugars in the presence of glucose (i.e., all sugars are consumed at equal rates despite the presence of glucose).

IMPACT/OUTCOME: These microorganisms have the potential of increasing ethanol yields, ethanol productivity, and lowering projected ethanol costs when using plant biomass as a feedstock.

develop technology to remove and concentrate nutrients from liquid animal waste and waste water. This process will protect environmental quality and create a source of concentrated, high-value, low-volume fertilizer.

ACCOMPLISHMENTS: ARS scientists at Florence, South Carolina have developed a treatment system to more effectively remove solids from liquid manure. The system, based on injection of polyacrylamide polymers to increase solids flocculation and a Deskins sand filtration system, reduces suspended solids in the liquid phase by a factor of 60 and produces removable solids cakes within 48 hours.

IMPACT/OUTCOME: The solids/liquid separation system captures over 80 percent of the organic nitrogen and phosphorus in the solid phase, resulting in a more valuable product for agricultural or horticultural uses.

GOAL V: Empower People and Communities, Through Research-Based Information and Education, to Address the Economic and Social Challenges of Our Youth, Families, and Communities.

Analysis of Results: This goal focuses primarily on activities designed to get research-based information to individuals and communities that will be useful for addressing a wide range of socio-economic issues. Under Goal V, 11 Indicators are aligned under 6 Performance Goals. Because of the unique and dynamic nature of research, several Indicators were added to the Report that did not first appear in the Annual Performance Plan for FY 2000. This was done to ensure that significant accomplishments that were not anticipated last year were reported. While it is not possible to report research accomplishments numerically, the progress projected in all 11 Indicators was completed or substantially completed during FY 2000.

OBJECTIVE 5.1: Economic opportunity and technology transfer: "Conduct agricultural research to promote economic opportunity in rural communities and meet the increasing demand for information and technology transfer throughout the U.S. agriculture industry."

STRATEGY 5.1.1: Rural development opportunities: Develop farming systems tailored to diverse agricultural production enterprises to enhance profits, sustainability, and environmental quality.

PERFORMANCE GOAL 5.1.1.1: Experimentally demonstrate the successful operation of small-scale production and processing systems, evaluate small scale animal production systems, and enhance high value agricultural products.

Indicators:

During FY 2000, ARS will determine whether high value nut trees and specialty crops, such as ginseng and mushrooms can be established in agroforestry systems being developed for Appalachia and the Ozarks. Establishment of such crops will lessen U.S. dependency on imports and provide higher income to these economically-depressed rural areas.

ACCOMPLISHMENTS: On-Farm research to develop production guidelines for long-culture of four species of edible specialty mushrooms was initiated.

IMPACT/OUTCOME: Development of a production system for high-value specialty mushrooms that utilizes on-farm resources and requires little capital investment can provide a supplemental income stream for small-scale farmers in hill lands such as Appalachia and the Ozarks. This system would be compatible with diverse agricultural enterprises, including organic production systems.

STRATEGY 5.1.2: Information access and delivery: Provide improved access to and dissemination of information to increase public knowledge and awareness of agricultural research, to aid technology transfer, and to speed up sharing of new knowledge.

PERFORMANCE GOAL 5.1.2.1: Make information on ARS research results and inventions available electronically via the Internet and similar resources.

Indicators:

During FY 2000, ARS will

develop an interactive Internet website to display and exchange information developed by the Semi-Arid-Land-Surface-Atmosphere (SALSA) global change research programs on global change and water resource

management in the San Pedro Basin. Government agencies, organizations, and private citizens will be able to access SALSA research findings and other public information. SALSA collaborators will be able to interactively retrieve data from and deposit in a common database. This research and information tool will facilitate transfer of SALSA science products to user communities in the U.S. and abroad.

ACCOMPLISHMENTS: The SALSA program is a multi-agency, multi-national, global change research effort that seeks to evaluate the consequences of natural and human induced changes in semi-arid environments. Current SALSA research is focused on the upper San Pedro River basin in Southeastern Arizona, USA, and Northeastern Sonora, Mexico. ARS maintains the SALSA website at <http://www.tucson.ars.ag.gov/salsa/salsahome.html>.

IMPACT/OUTCOME: Visitors to the website can access research results and plans; contact information for SALSA collaborators and cooperators (including individuals in U.S. Federal and State agencies, Mexican agencies, universities, and others); publications and coverage by the news media; and SALSA documents, publications, and data. Using the Internet and other electronic resources, e.g., CD-ROM, the SALSA program has effectively transferred scientific and technical information to cooperators, U.S. Federal and Mexican agencies, the State of Arizona, environmental organizations, and the public at large.

use the Internet to expand, license and development opportunities of low phytate corn to reduce phosphate in the environment, and corn fiber oil to reduce the level of blood cholesterol. ARS will also expand electronic methods to increase the adoption of biocompetitive agents in poultry and swine to increase food safety.

ACCOMPLISHMENTS: Modification of the OTT home page was initiated to provide a more user friendly vehicle for identifying ARS technologies available for licensing and partnerships. A plan was developed with the University of Massachusetts to proactively identify potential partners for the corn fiber oil. Two new licenses were negotiated for the low phytate corn. Negotiations are ongoing to license the biocompetitive agents for swine.

IMPACT/OUTCOME: These efforts have increased the likelihood of the successful transfer of these technologies to the private sector for commercialization.

PERFORMANCE GOAL 5.1.2.2: Provide more cost-effective and efficient public information and technology transfer.

Indicators:

During FY 2000, ARS will

continue to develop partnerships with States, the Minority Business Technology Transfer Consortium, and Rural Conservation and Development Councils to enhance small businesses in rural communities.

ACCOMPLISHMENTS: Members of OTT have attended numerous meetings of the RC&D councils, as well as regional rural development meetings with local industries and presented opportunities to obtain ARS technologies. Discussions are underway on several specific technologies.

IMPACT/OUTCOME: Successful transfer of these technologies will result in new jobs in rural America and enhance economic development in those regions.

submit 70 new patent applications.

ACCOMPLISHMENTS: 78 patent applications were filed.

IMPACT/OUTCOME: New technologies are available for licensing.

participate in 90 new CRADAs.

ACCOMPLISHMENTS: 69 new CRADAs were developed. Although the number of CRADAs were less than anticipated, the number of Trust Fund Cooperative Agreements with industry negotiated by OTT increased by 15 percent over the prior year.

IMPACT/OUTCOME: New partnerships were formed to advance the development and commercialization of ARS technologies.

license 30 new products.

ACCOMPLISHMENTS: 24 new licenses were established and 8 were renegotiated.

IMPACT/OUTCOME: Progress toward the commercialization of new ARS technologies.

develop 70 new plant varieties for release to industry for further development and marketing.

ACCOMPLISHMENTS: 73 plant varieties were released.

IMPACT/OUTCOME: New varieties are available to producers to enhance production, crop quality, and disease resistance.

PERFORMANCE GOAL 5.1.2.3: Research programs include information and technology transfer considerations.

Indicators:

During FY 2000, ARS will participate in National Program Reviews and Area Leadership Conferences to enhance technology transfer education and information.

ACCOMPLISHMENTS: Members of OTT made presentations at 3 National Program Reviews, 5 Area Leadership Conferences, and more than two dozen locations/laboratories.

IMPACT/OUTCOME: There is a heightened awareness of industry representatives and ARS scientist about ARS technology transfer policies and opportunities.

STRATEGY 5.1.3: Commercialize research results: Develop technology transfer systems that lead to commercialization of research results by industry.

PERFORMANCE GOAL 5.1.3.1: Provide small businesses with contacts and information on the programs available from public and private sources.

Indicators:

During FY 2000, ARS will expand efforts to identify groups that will enhance the probability of identifying partners for commercialization of ARS technologies. ARS will give particular emphasis to organizations concerned with minority businesses and rural development.

ACCOMPLISHMENTS: In addition to the efforts described in Performance Goal 5.1.2.2, OTT began the redesign of the exhibit used at trade and commodity shows to better highlight the type of technologies available for partnering and licensing. OTT hand outs for technology transfer are being redesigned to facilitate the education of industry on how to contact OTT. The technology Transfer Coordinators have become more proactive in working with potential small and minority owned business partners, and relationships have been

established with several 1890 schools.

IMPACT/OUTCOME: Easier access to ARS technologies.

PERFORMANCE GOAL 5.1.3.2: Expand the types of agreements used by ARS and delegate signatory authority to the lowest feasible level.

Indicators:

During FY 2000, ARS will expand negotiation of licenses for ARS technology by training the Technology Transfer Coordinators in procedures. This will enhance customer service and facilitate the licensing process. OTT will provide oversight to ensure consistent implementation of Federal Regulations.

ACCOMPLISHMENTS: Three Technology Transfer Coordinators are negotiating licenses. Two others are being trained.

IMPACT/OUTCOME: This will enhance the licensing process to improve relationships with commercial partners and speed the commercialization of ARS technologies.

ADMINISTRATIVE, PROGRAMMATIC, AND MANAGEMENT INITIATIVES

Initiative 1: Support Education: "Support Higher Education in Agriculture to Give the Next Generation of Americans the Knowledge, Technology, and Applications Necessary to Enhance the Competitiveness of U.S. Agriculture."

All of the activities relating to this initiative are cross-cutting in nature and are reflected in the strategies and performance measures under the five ARS Goals and Initiatives 2 and 3.

Initiative 2: National Agricultural Library: "Ensure and Enhance Worldwide Access to Agricultural Information through the Programs of the National Agricultural Library (NAL)."

In FY 2000, ARS reviewed its Strategic Plan as required by GPRA. The experience we had gained with GPRA over the previous several years led us to make substantial changes in Administrative, Programmatic, and Management Initiative 2 - The National Agricultural Library. The performance goals and indicators listed below were determined to no longer adequately measure the work of the National Agricultural Library. New performance goals and indicators were developed and the Agency has chosen to report its FY 2000 Accomplishments and Outcomes/Impacts against the new and more relevant indicators, which are contained in Appendix A. Next year, Appendix A will be fully integrated into both the Annual Performance Plans for FY 2002-2003 and the Annual Performance Report for FY 2001.

Means and Strategies: To successfully accomplish the activities under this initiative, ARS will need the level of human, fiscal, physical, and information resources portrayed in the budget estimates for fiscal years 1999 to 2003.

The proposed funding for FY 2001 includes \$2,000,000 in program increases. Funding increases include enhanced support of ARS research and information programs.

Verification and Validation: ARS currently conducts a series of review processes designed to ensure the relevance and quality of its work. A more detailed description of the evaluation plans can be found in the introduction to this plan.

STRATEGY 2.1: Access to information: Collect, organize, and provide access to information that supports agricultural programs and responds to information needs.

PERFORMANCE GOAL 2.1.1: Implemented selection guidelines for the electronic resources to be acquired and used by NAL.

Task completed in FY 1997.

PERFORMANCE GOAL 2.1.2: Expanded representation of electronic formats such as Internet resources, online databases, and digital documents in AGRICOLA and NAL's online catalog.

Indicators:

During FY 2000, NAL will

continue the transition from print to electronic collections.

begin using publisher supplied citation and abstract data in electronic form in the creation of indexing records.

make articles from indexed journals available immediately upon receipt by adding descriptive citation data to AGRICOLA in advance of subject indexing.

PERFORMANCE GOAL 2.1.3: A gateway is provided to a large body of electronic information on agriculture over a network such as the Internet.

Indicators:

During FY 2000, NAL will continue to work with its land grant university partners to select and implement an infrastructure system which facilitates distributed searching for enhanced resource discovery using recently developed metadata and subject classification structure.

PERFORMANCE GOAL 2.1.4: Demonstrate increased use of agricultural information by institutions of higher education.

Indicators:

During FY 2000, NAL will

as part of the Reference Reinvention Initiative, continue to transition to nonmediated services for users. Data will be collected to document the usage of more readily available electronic reference materials.

collect and analyze tracking information to determine customer needs. This information will be valuable in restructuring and enhancing the information and services offered to institutions of higher education.

STRATEGY 2.2: Meet customer needs for information: Anticipate and provide information products and services, including educational programs, that enable NAL's diverse customers to identify, locate, and obtain desired information on agricultural topics.

PERFORMANCE GOAL 2.2.1: The time for processing requests for services and delivering the information requested is further reduced.

Indicators:

During FY 2000, NAL will

expand electronic methods of document delivery to increase accuracy and efficiency of requested items. Implementation of an electronic request system for walk-in reader request patrons will begin. Patrons will request items on site for copy or loan through the online catalog ISIS. Requests will be sent from this subsystem electronically to the stacks for fulfillment and delivery of items.

continue to expand electronic services and identify emerging technologies to enhance program delivery.

PERFORMANCE GOAL 2.2.2: The gap between the time that information is published and made available in NAL-produced databases is further reduced.

Indicators:

During FY 2000, NAL will

decrease the elapsed time for indexing from receipt of the journal issues to release of articles to AGRICOLA.

begin addition of machine-readable records to the online catalog for older serial publications.

PERFORMANCE GOAL 2.2.3: Expanded provision of Internet and other technology-related training programs for NAL customers.

Indicators:

During FY 2000, NAL will develop web-based training to provide the ARS staff to better utilize electronic resources that have been obtained as a result of improved acquisition approaches for group access to expanded resources.

STRATEGY 2.3: Preservation of significant materials: Preserve significant and important works in agriculture and the fields related to agriculture to ensure availability of NAL's collections to current and future generations.

PERFORMANCE GOAL 2.3.1: Establishment of a national archive for agricultural literature that serves as a centralized storage facility for archival copies prepared by cooperators in the program.

Indicators:

During FY 2000, NAL will obtain the master microfilm negatives from phase two of the U.S. Agricultural Information Network (USAIN) preservation microfilming project for transfer to NUS.

PERFORMANCE GOAL 2.3.2: Development of a program for monitoring quality of electronically archived materials to ensure that the data remain accessible.

Indicators:

During FY 2000, NAL will work with the steering committee to produce a conference on metadata for the USDA and to develop further actions for preserving USDA digital publications.

Initiative 3: Creative Leadership: Promote Excellence, Relevance, and Recognition of Agricultural Research

through Creative Leadership in Management and Development of Resources, Communications Systems, and Partnerships with Our Customers and Stakeholders.

In FY 2000, ARS reviewed its Strategic Plan as required by GPRA. The experience we had gained with GPRA over the previous several years led us to make substantial changes in Administrative, Programmatic, and Management Initiative 3 - Creative Leadership. The performance goals and indicators listed below were determined to no longer adequately measure the leadership activities of ARS. New performance goals and indicators were developed and the Agency has chosen to report its FY 2000 Accomplishments and Impacts/Outcomes against the new and more relevant indicators, which are contained in Appendix A. Next year, Appendix A will be fully integrated into both the Annual Performance Plans for FY 2002-2003 and the Annual Performance Report for FY 2001.

STRATEGY 3.1: Develop research agenda: Identify ARS program priorities and core research capabilities and use them to provide leadership in development of the coordinated REE and national research agendas.

PERFORMANCE GOAL 3.1.1: The annual performance plan is delivered on time.

Indicators:

During FY 2000, ARS will meet all REE and Departmental deadlines for submissions required by the strategic plan.

PERFORMANCE GOAL 3.1.2: Meet REE deadlines for submission of material for inclusion in the Coordinated Research Agenda.

Indicators:

During FY 2000, ARS will meet REE deadlines for submission of materials related to the Coordinated Research Agenda.

PERFORMANCE GOAL 3.1.3: Annual conferences of public and private individuals are convened to discuss major researchable issues in agriculture and to articulate approaches to addressing these problems.

Indicators:

During FY 2000, ARS will

select the researchable aspects of a high priority national issue that will benefit from a broad public/private, Federal/State/local dialogue and convene an appropriate conference.

continue an annual conference of Federal, State, and industry representatives for the purpose of reviewing the progress of the new five year research, action and technology transfer plan, as well as to make control recommendations for the silverleaf whitefly that has caused \$200-500 million in losses across the Southern tier of the U.S.

PERFORMANCE GOAL 3.1.4: Rapid responses to crises.

Indicators:

During FY 2000, ARS will respond to threats to the security of American agriculture and the safety of the Nation's food supply.

STRATEGY 3.2: Civil Rights: ARS is committed to the principal of Civil Rights and the implementation of the Civil Rights Action Team Report. The ARS Civil Rights Staff (CRS) recognizes that systematic communication is important as a means of ensuring that its services meet the expectations and needs of its customers/stakeholders, including managers, supervisors, and employees.

PERFORMANCE GOAL 3.2.1: Written policies and guidance to facilitate implementation of the Civil Rights program.

Indicators:

During FY 2000, ARS will continue to develop policies, brochures, and fact sheets to facilitate implementation of the Civil Rights Program.

PERFORMANCE GOAL 3.2.2: Improve all aspects of the Title VII program which includes EEO training, data collection, and monitoring and evaluation.

Indicators:

During FY 2000, ARS will conduct on site EEO program evaluations to determine the extent to which ARS is complying with Equal Employment Opportunity requirements.

STRATEGY 3.3: Additional funding: Encourage acquisition of additional funding to improve ARS programs and priorities.

PERFORMANCE GOAL 3.3.1: Partnerships are established.

PERFORMANCE GOAL 3.3.2: Procedures are implemented.

PERFORMANCE GOAL 3.3.3: Outside support increases.

Indicators:

During FY 2000, ARS will meet or exceed the targets for securing additional funding.

STRATEGY 3.4: Customer service: Improve customer service.

PERFORMANCE GOAL 3.4.1: Improved customer satisfaction.

PERFORMANCE GOAL 3.4.2: Customer needs are identified.

STRATEGY 3.5: Management of facilities: Provide appropriately equipped Federal facilities required to support the research and information activities of ARS into the next century.

PERFORMANCE GOAL 3.5.1: Criteria and priorities identified.

Indicators:

During FY 2000, ARS will update annually the ARS facilities modernization plan which identifies ongoing repair and maintenance needs of existing Agency laboratory and support facilities.

STRATEGY 3.6: Maintenance of core research capabilities: Develop and implement comprehensive human resource systems and policies to support and enhance ARS' core research capabilities while maintaining the flexibility to shift research and form interdisciplinary teams to address emerging problems.

PERFORMANCE GOAL 3.6.1: Identify core capability requirements and develop a scientific staff to meet long-term research needs.

Indicators:

During FY 2000, ARS will

increase its core capability by significantly increasing the number of research scientist positions (SYs).

conduct three consolidated scientist recruitment cycles.

develop a core curriculum for new scientist orientation for use at field offices and laboratories.

implement a new Research Leader Training Program. A formal leadership training program will also be established, including orientation within Headquarters and the Areas.

PERFORMANCE GOAL 3.6.2: Establish a database of ARS experts by discipline and research areas of expertise.

ARS decided not to develop this database.

PERFORMANCE GOAL 3.6.3: Train 1,300 postdoctoral students, and competitively select 10 percent of them to fill full-time positions.

Indicators:

During FY 2000, ARS will continue its Research Associate Program as a source of qualified candidates for its permanent research positions.

STRATEGY 3.7: Provide administrative support to REE: Serve as the lead agency in providing administrative and financial management services for Research, Education, and Economics.

PERFORMANCE GOAL 3.7.1: Customer participation in planning processes.

Indicators:

During FY 2000, ARS will continue to monitor customer needs consistent with the AFM Strategic Plan and develop an AFM-wide customer survey to obtain feedback on customer satisfaction.

PERFORMANCE GOAL 3.7.2: Strategic Plan is developed and communicated to REE customers.

Indicators:

During FY 2000, ARS will collect customer feedback to identify changing priorities and begin refinement of its Strategic Plan.

STRATEGY 3.8: Program excellence and relevance: Ensure excellence and relevance of ARS programs through a variety of comprehensive reviews.

PERFORMANCE GOAL 3.8.1: Internal and external peer reviews are conducted on all research projects before implementation.

Reporting will begin in FY 2000.

PERFORMANCE GOAL 3.8.2: Review of the productivity, quality, and impact of individual scientists as scheduled in the Research Position Evaluation System (RPES).

Indicators:

During FY 2000, ARS will conduct RPES reviews of approximately 350 Agency scientists.

PERFORMANCE GOAL 3.8.3: Program reviews are conducted periodically, and programs are sustained or redirected as appropriate.

Reporting will begin in FY 2000.

STRATEGY 3.9: Improve financial management: ARS/Administrative and Financial Management will support Departmental efforts to improve financial management.

PERFORMANCE GOAL 3.9.1: Implement integrated management systems in USDA.

Indicators:

Reporting will begin upon issuance of Departmental evidence on the Foundation for Financial Information System (FFIS) for mandatory use by USDA agencies.

During FY 2000, ARS will

continue to work with the Office of Chief Financial Officer (OCFO) on the design and modification of the FFIS for use by REE.

continue to work with the NFC on implementing new and modernized financial systems for the REE agencies.

PERFORMANCE GOAL 3.9.2: Correct in a timely manner internal control deficiencies.

Indicators:

Reporting will begin upon issuance of Departmental evidence on the FFIS for mandatory use by USDA agencies.

During FY 2000, ARS will continue compliance with the FMFIA, including the timely completion of audit report recommendations and the timely correction of any FMFIA weaknesses that are identified.

PERFORMANCE GOAL 3.9.3: Make available reliable cost accounting information.

Indicators:

Reporting will begin upon issuance of Departmental evidence on the FFIS for mandatory use by USDA agencies.

During FY 2000, AFM will

continue to work with the OCFO and the NFC to implement USDA cost accounting standards on behalf of all REE agencies, and perform biennial reviews of user charges as required by OMB Circular A-25.

continue to review Agency operations for new potential user fee situations.

PERFORMANCE GOAL 3.9.4: Clean and timely audit opinions are provided on audited financial statements.

Indicators:

Reporting will begin upon issuance of Departmental evidence on the FFIS for mandatory use by USDA agencies.

During FY 2000, ARS will prepare, review, and certify the yearly consolidated financial statements of the REE agencies as required under the Chief Financial Officer's Act.

APPENDIX A

Effectively Marshal the Diverse Capabilities and Resources of ARS.

OBJECTIVE 6.1: Support Education: "Support higher education in agriculture to give the next generation of Americans the knowledge, technology, and applications necessary to enhance the competitiveness of United States agriculture."

All of the activities relating to this objective are crosscutting in nature and reflected in the strategies and performance goals under the six ARS Goals.

OBJECTIVE 6.2: National Agricultural Library: "Serve as the primary agricultural information resource of the United States."

STRATEGY 6.2.1: Increase awareness and use of National Agricultural Library (NAL) products and services: Collect, organize, and provide access to information that supports agricultural programs and responds to information needs.

PERFORMANCE GOAL 6.2.1.1: Maintain up-to-date data on customer information needs and satisfaction.

Indicators:

During FY 2000, NAL will

begin the process of reviewing information center programs ensuring targeted focus and customer satisfaction and collection of relevant data.

ACCOMPLISHMENTS: An Alternative Farming Systems Information Center review was convened to look at the center's program and make recommendations. The final report was received with recommendations for future program directions.

IMPACT/OUTCOME: Increased and continued financial support from the Sustainable Agriculture Research Education Program of CSREES for the Alternative Farming Systems Information Center.

continue collecting data on reference and research information services and begin combining them with information center service data.

ACCOMPLISHMENTS: A system was established to collect and analyze incoming requests as to type of service needed and appropriate service point for delivery of material or answer.

IMPACT/OUTCOME: Refinements of the reorganization and reinvention of reference and information services can be made to continue speeding up delivery of reference and research information services.

PERFORMANCE GOAL 6.2.1.2: Integrate customer data into continuous refinement of operations.

Indicators:

During FY 2000, NAL will continue to reduce turn-around times in serving customers by collecting data and incorporating results into customer service operations.

ACCOMPLISHMENTS: New Service Desk model of tiered services with reference triage allows use of library technicians to answer simple reference requests.

Based on the results of the Document Delivery Usage Study, the Document Delivery Services Branch and

Acquisitions & Serials Branch identified serial titles to be claimed, missing issues to acquire and a variety of other actions to be taken on specific titles.

IMPACT/OUTCOME: More efficient use of subject specialist librarians.

Increased availability of materials to fill document delivery and interlibrary loan requests speeds up responses to customers, reduces the number of items to be borrowed from other sources, and lowers associated costs.

PERFORMANCE GOAL 6.2.1.3: Develop and improve NAL information delivery systems.

Indicators:

During FY 2000, NAL will

continue to develop and improve its web-based information delivery systems.

ACCOMPLISHMENTS: Three new Web sites have been made available and two information centers reformatted and refreshed their home pages. Several sites were recognized by professional organizations for their high quality.

IMPACT/OUTCOME: NAL Web sites continue to increase access to quality agricultural information. Several Web sites have received awards with high marks from professional organizations and the U.S. press for quality and importance.

investigate electronic mechanisms for improving the delivery of materials to patrons.

ACCOMPLISHMENTS: Identified two mechanisms to improve document delivery services: (1) RELAIS document system to support document delivery to USDA staff; and (2) Document paging system to make more efficient processing of document retrieval for customers in the Abraham Lincoln Building.

IMPACT/OUTCOME: Faster delivery of requested documents to clients and re-allocation of staff resources from document delivery to reference services, outreach and Web product development.

increase by thirty percent the total volume of services delivered to NAL customers.

ACCOMPLISHMENTS: The total volume of direct service transactions delivered to NAL customers grew to almost 23 million, an increase of 58 percent from FY 99, largely due to rapid growth in usage of NAL Web-based services.

IMPACT/OUTCOME: There was a dramatic increase in diffusion of information to NAL's global customer base.

PERFORMANCE GOAL 6.2.1.4: Develop an agricultural subject headings thesaurus.

Indicators:

During FY 2000, NAL will

develop the top structures of the subject hierarchies and obtain input from expert reviewers in various subject areas.

ACCOMPLISHMENTS: The top structures and categories for the subject organization of all facets of agriculture were completed and the preliminary edition of the thesaurus is developing on schedule. Terms

within most of the categories have been reviewed and revised. Feedback from subject experts was solicited from within and outside of USDA and their input helped expedite the development of the preliminary edition of the thesaurus.

IMPACT/OUTCOME: USDA agencies, such as ERS and ARS, and others needing a subject structure to organize and facilitate searching of their Web-based electronic documents, databases, and other Internet resources will have an authoritative thesaurus that is maintained by NAL. The first application of the thesaurus will be to index and organize the research projects in the ARIS system of the Agricultural Research Service.

contract with a thesaurus expert to assist in development, evaluation and testing of the thesaurus for use with the RMIS database.

ACCOMPLISHMENTS: A contract was negotiated with a recognized expert in thesauri for indexing scientific literature who will assist in suggesting terms, reviewing thesaurus principles, categories, and testing the thesaurus for indexing research reports.

IMPACT/OUTCOME: The contractor's experience and knowledge of other scientific vocabularies helps ensure that NAL's agricultural thesaurus will be as compatible as possible with other standard terminologies.

PERFORMANCE GOAL 6.2.1.5: Increase collaboration via AgNIC (Agriculture Network Information Center).

Indicators:

During FY 2000, NAL will

continue efforts to increase collaboration and partnerships within AgNIC through outreach and discussions between existing and potential partners.

ACCOMPLISHMENTS: The Agriculture Network Information Center (AgNIC) Alliance made substantial progress in expanding participation and increasing access to the information contributed by members, through its web site (<http://www.agnic.org>). More than 30 million accesses were delivered by AgNIC participant Web sites. The number of members increased to 36 covering more than 40 subjects. The AgNIC Coordinating Committee met in April 2000 at NAL with over 50 international participants. In August, the technical development team released version 2 of the Web site.

IMPACT/OUTCOME: The alliance increased global access to reliable agricultural information via the Web. The new version of the AgNIC interface provides improved searching and retrieval capabilities for researchers.

PERFORMANCE GOAL 6.2.1.6: Develop programs and services for previously under-served audiences.

Indicators:

During FY 2000, NAL will

improve the utility of its web resources by instituting American Disabilities Act (ADA) guidelines.

ACCOMPLISHMENTS: The NAL's Web Management Team received training in ADA requirements and briefed the NAL staff on actions needed. Review of the upper two levels of the NAL web site was done with the Bobby evaluation program; needed modifications were made. The Federal ADA compliance deadline of August 2000 was postponed until sometime in 2001, so the NAL report will be filed at that time.

IMPACT/OUTCOME: NAL's awareness of and compliance with ADA guidelines will result in improved access to agricultural information for people with various disabilities.

develop partnerships and networks to reach minority, disabled, and other under-served customers.

ACCOMPLISHMENTS: The NAL continued to expand outreach to under-served groups by collaborating with land grant and other universities; library associations; and community groups on training programs; development of informational and instructional materials, including Web-based materials; and funding internships.

IMPACT/OUTCOME: Agricultural information was more available to previously under-served customers.

PERFORMANCE GOAL 6.2.1.7: Support increased diversity in librarianship and information management.

Indicators:

During FY 2000, NAL will

begin development of a diversity program plan.

ACCOMPLISHMENTS: The NAL completed a discussion version of its diversity program plan.

IMPACT/OUTCOME: The NAL is prepared to move forward with implementation of its diversity program plan in FY 2001.

continue to mentor minority librarians and information professionals through various professional association partnerships and other leadership and career development programs.

ACCOMPLISHMENTS: The Library Director and other staff members mentored minority students and young professionals.

IMPACT/OUTCOME: Minority librarians and information professionals' career development was assisted by NAL's staff.

continue to participate in professional development seminars and programs for minority-serving institutions.

ACCOMPLISHMENTS: The NAL continued to participate in seminars and programs for the land grant universities and tribal colleges.

IMPACT/OUTCOME: More librarians of land grant universities and tribal colleges received direct training in agricultural information sources and systems.

continue to provide minority high school and college student internships that expose interns to library and information management career opportunities.

ACCOMPLISHMENTS: The NAL provided nine internships for minority high school and college students.

IMPACT/OUTCOME: The NAL continued to demonstrate the effectiveness of student internships in directing minority students towards careers in librarianship and agriculture.

STRATEGY 6.2.2: Strengthen National Agricultural Library Operations: Anticipate and provide information products and services, including educational programs, that enable NAL's diverse customers to identify, locate, and obtain desired information on agricultural topics.

PERFORMANCE GOAL 6.2.2.1: Expand acquisition of information in all formats.

Indicators:

During FY 2000, NAL will

begin to systematically identify, acquire, and create links to electronic full text documents in the field of agricultural economics from the World Wide Web site called Research in Agricultural and Applied Economics, <http://agecon.lib.umn.edu/>, developed at the University of Minnesota with the cooperation and financial support of USDA's Economic Research Service and others.

ACCOMPLISHMENTS: The Public Services and Technical Services Divisions cooperated to establish routines to link from AGRICOLA to the "AgEcon" documents at the site of the University of Minnesota. The NAL's project to include these documents in AGRICOLA began in FY 2000 and is ongoing.

IMPACT/OUTCOME: Faster more effective access for NAL's global customers to agricultural literature was achieved via AGRICOLA.

select and increase links to relevant water quality resources identified by the Water Quality Information Center.

ACCOMPLISHMENTS: Approximately 170 titles of freely available, online documents covering water and agriculture were reviewed for inclusion into the AGRICOLA database. A prototype database of several hundred of these titles was made available to the public on the Water Quality Information Center Web site.

IMPACT/OUTCOME: People seeking online water quality information have improved means for locating it.

PERFORMANCE GOAL 6.2.2.2: Gain space for collection growth.

Indicators:

During FY 2000, NAL will

continue to identify printed items in its collection that are on deteriorating newsprint which can be replaced by alternate formats.

ACCOMPLISHMENTS: In FY 2000, the team identified 60 titles on microfilm to be acquired from other sources.

IMPACT/OUTCOME: Replacing deteriorating newsprint with microfilm improved accessibility to the information because the newsprint in its existing form could not be used.

PERFORMANCE GOAL 6.2.2.3: Preserve and secure collections.

Indicators:

During FY 2000, NAL will

identify deteriorating collection materials to be boxed for preservation.

ACCOMPLISHMENTS: In FY 2000, the Document Delivery Service Branch identified 390 titles/volumes to be boxed for preservation, acquired the boxes, cleaned and inserted the volumes into the boxes and returned

them to the shelves.

IMPACT/OUTCOME: These specially constructed boxes will house the fragile and deteriorating volumes to prevent further damage due to incidental impact or scrapes which would separate pages or covers from the original volume. They will also protect the fragile volumes from other conditions which cause deterioration such as dirt, light, and rapid changes in temperature and humidity.

strengthen security of the "cage" where special collections are housed.

ACCOMPLISHMENTS: The "cage" structure was evaluated and recommendations made for improving security.

IMPACT/OUTCOME: As funds become available, enhancements to the physical structure will provide increased security of collections.

PERFORMANCE GOAL 6.2.2.4: Increase number of records in the AGRICOLA database.

Indicators:

During FY 2000, NAL will increase the number of records in AGRICOLA by 74,000.

ACCOMPLISHMENTS: The NAL added over 74,700 indexing and cataloging records to the AGRICOLA database in FY 2000.

IMPACT/OUTCOME: More records of information resources important to agriculture were made available online to users of AGRICOLA.

PERFORMANCE GOAL 6.2.2.5: Increase linkages from the AGRICOLA database to electronic content.

Indicators:

During FY 2000, NAL will create new linkages for electronic versions of food safety research information reports, water quality and drought resources.

ACCOMPLISHMENTS: During FY 2000, NAL increased by 300 percent the number of citations directly linked to electronic content. There are now over 11,000 links to primary information from AGRICOLA indexing and cataloging records.

IMPACT/OUTCOME: AGRICOLA searchers have immediate access to the full text of an article, document or database described in over 11,000 database records. Increasing the speed of access to information contributes to reducing the potential for redundant research efforts.

PERFORMANCE GOAL 6.2.2.6: Continue modernization of the Abraham Lincoln Building.

Indicators:

During FY 2000, NAL will

continue to ensure the security surrounding special collections as appropriate. In addition, security of the building will be readdressed to assess and correct areas of vulnerability.

ACCOMPLISHMENTS: A security wall was built on the floor of the Abraham Lincoln Building that houses rare

books. A security task force was initiated to develop a Library security plan and options.

IMPACT/OUTCOME: Better security in building.

procure Architectural and Engineering (A&E) services to redesign the 5th floor from office space to a "stack" and special collections floor.

ACCOMPLISHMENTS: A&E services were procured. The design should be completed in late spring 2001 with construction commencing in late summer.

IMPACT/OUTCOME: More space for collection.

PERFORMANCE GOAL 6.2.2.7: Ensure systematic upgrade of equipment.

Indicators:

During FY 2000, NAL will evaluate its computer base including desktops and servers to determine upgrade requirements to meet the rapidly growing electronic resource needs of NAL.

ACCOMPLISHMENTS: NAL's Web servers have been evaluated and recommendations made for replacement/upgrade. Recommendations will be acted on as resources become available. Evaluation of workstations will be conducted in FY2001 in conjunction with the acquisition of a new electronic library management system.

IMPACT/OUTCOME:

PERFORMANCE GOAL 6.2.2.8: Ensure security of electronic data and computer equipment.

Indicators:

During FY 2000, NAL will contract for a thorough information system security assessment, implement a firewall and related security policies, and draft an NAL-wide information system security policy.

ACCOMPLISHMENTS: NAL contracted for a security assessment of its information systems to determine vulnerabilities and practices that need to be implemented to safeguard its network and data from the "hacker community", human error, and white-collar crime. As a result of this assessment, a firewall was installed in 2000 to protect NAL's private network as well as to support the establishment of separate security zones for the Electronic Services Center and NAL's production network. The information system security policy is still being developed.

IMPACT/OUTCOME: NAL has significantly increased its security profile so that vital data and services are less likely to be disrupted by unauthorized actions.

PERFORMANCE GOAL 6.2.2.9: Implement new electronic library management system with minimal disruption to customers and staff/operations.

Indicators:

During FY 2000, NAL will

begin efforts to identify and acquire a new electronic library management system, develop system and functional requirements for the new system, identify candidate electronic library management systems and

make vendor contracts to arrange demonstrations, and identify hardware platform and database system that will support a new electronic library management system.

ACCOMPLISHMENTS: In FY 2000, NAL completed the documentation of functional and system requirements for a new electronic library management system and identified five systems for demonstration and investigation. After vendor demonstrations, the Library identified three potential systems and obtained preliminary cost estimates from their vendors.

IMPACT/OUTCOME: The NAL is ready to proceed on a procurement plan to purchase a new electronic system as soon as funding is available. A new system will increase the efficiency of internal operations, provide more management data to inform decisions on operations, and provide new and powerful Web gateway tools to users accessing the library's resources via the Internet.

PERFORMANCE GOAL 6.2.2.10: Refine administrative and business processes, organizational structures, and functions.

Indicators:

During FY 2000, NAL will continue to seek opportunities to streamline administrative processes.

ACCOMPLISHMENTS: As opportunities arose, administrative personnel reviewed processes and streamlined them where possible.

IMPACT/OUTCOME: More efficient and effective internal administration.

PERFORMANCE GOAL 6.2.2.11: Develop Intranet.

Indicators:

During FY 2000, NAL's Web Management Team will make a preliminary assessment of NAL's internal electronic communication needs.

ACCOMPLISHMENTS: NAL began an assessment of developing an Intranet to improve internal communications.

IMPACT/OUTCOME: An Intranet will be developed beginning in FY 2001.

PERFORMANCE GOAL 6.2.2.12: Ensure equitable opportunities for staff development.

Indicators:

During FY 2000, NAL will ensure that each staff member receives adequate training to support his or her function. Staff members will also be given career enhancement opportunities such as details, shadowing assignments, and agency leadership development programs.

ACCOMPLISHMENTS: Supervisory training was scheduled for supervisors. Other employees participated in details and shadowing assignments outside of NAL. Others participated in agency sponsored programs and activities.

IMPACT/OUTCOME: Personnel gained a broader perspective of agency/governmental activities and brought back new knowledge/skills to their job as well as enhanced career opportunities.

PERFORMANCE GOAL 6.2.2.13: Implement staff succession plan.

Indicators:

During FY 2000, NAL will provide opportunities for employees to gain leadership experience through acting, detail, and shadowing assignments as well as attending management meetings whenever possible.

ACCOMPLISHMENTS: Various staff members participated in career development assignments.

IMPACT/OUTCOME: More of the Library staff was offered opportunities for internal career development.

OBJECTIVE 6.3: Creative leadership: "Promote excellence, relevance, and recognition of agricultural research through creative leadership in management and development of resources, communications systems, and partnerships with our customers and stakeholders."

STRATEGY 6.3.1: Develop research agenda: Identify ARS program priorities and core research capabilities and use them to provide leadership in developing national research agendas.

PERFORMANCE GOAL 6.3.1.1: Annual conferences of public and private individuals are convened to discuss major researchable issues in agriculture and articulate approaches to addressing these problems.

Indicators:

During FY 2000, ARS will convene a number of programmatic workshops and conferences to help shape the ARS research agenda.

ACCOMPLISHMENTS: In FY 2000, ARS convened 17 National Program Workshops or National Program Component Workshops covering all or part of National Programs 101, Food Animal Production; 102, Animal Health; 107, Human Nutrition; 203, Air Quality; 204, Global Change; 207, Integrated Agricultural Systems; 301, Plant, Microbial and Insect Genetic Resources, Genomics, and Genetic Improvement; 303, Plant Diseases; 304, Crop Protection and Quarantine; 306, New Uses, Quality, and Marketability of Plant and Animal Products; and 308, Methyl Bromide Alternatives.

IMPACT/OUTCOME: Customer input and interaction with ARS scientists helped to develop the research agenda for each National Program.

STRATEGY 6.3.2: Civil rights: The ARS Civil Rights Staff (CRS) recognizes that systematic communication is important as a means of ensuring that its services meet the expectations and needs of its customers and stakeholders, including managers, supervisors, and employees.

PERFORMANCE GOAL 6.3.2.1: Recommendations are implemented and processes and practices are modified as appropriate.

Indicators:

During FY 2000, ARS will establish monthly meetings with Area Civil Rights Managers (ACRMs) to keep communication lines open.

ACCOMPLISHMENTS: ARS scheduled monthly meetings with the ACRMs during FY 2000 to keep communication lines open and will continue this practice in subsequent years.

IMPACT/OUTCOME: The ACRMs are kept current on ARS EEO/CR issues.

PERFORMANCE GOAL 6.3.2.2: ARS managers, supervisors, and employees are better informed on EEO/CR issues.

Indicators:

During FY 2000, ARS will publish brochures and create an EEO/CR web page.

ACCOMPLISHMENTS: ARS developed a draft brochure on the ARS Civil Rights Programs. It also developed the EEO/CR web page and placed it online.

IMPACT/OUTCOME: ARS managers, supervisors, and employees are now better informed on EEO/CR issues.

PERFORMANCE GOAL 6.3.2.3: Recommendations resulting from the agencywide on-site EEO compliance review are implemented.

Indicators:

During FY 2000, ARS will conduct an agencywide compliance review which will result in recommendations for improvements in the agency's EEO program.

ACCOMPLISHMENTS: ARS conducted the agencywide EEO compliance review of headquarters and area offices during April - September 2000. A number of randomly selected location offices was also reviewed.

IMPACT/OUTCOME: A draft report will be prepared which will contain a summary of the information obtained, specific findings of fact, specific noncompliance issues, and recommendations for improvement to correct any noncompliance or other EEO problems will be prepared.

PERFORMANCE GOAL 6.3.2.4: A comprehensive, fully integrated system is installed to assist in analyzing workforce profiles, analyzing adverse impacts, and monitoring every aspect of discrimination complaint processing.

Indicators:

During FY 2000, ARS will purchase the EEO Assistant Database software and the Civil Rights Staff will be trained to use the software.

ACCOMPLISHMENTS: The EEO Assistant Database software was purchased and CRS employees received training in the use of the software during September 2000.

IMPACT/OUTCOME: Employees can retrieve and analyze complaint and workforce data and carry out day-to-day responsibilities in a more efficient manner.

STRATEGY 6.3.3: Management of facilities: Provide appropriately equipped Federal facilities required to support the research and information activities of ARS into the next century.

PERFORMANCE GOAL 6.3.3.1: Criteria and priorities are identified.

Indicators:

11-A

During FY 2000, ARS will update its facilities modernization plan which identifies ongoing repair and maintenance needs of existing agency laboratory and support facilities.

ACCOMPLISHMENTS: In FY 2000, ARS updated the 10 Year Facilities Plan which identified future projects or needs in terms of repair and maintenance/modernization, new construction, energy retrofit, accessibility, hazardous waste clean up, and building disposal/demolition needs from FY 2001 to 2010.

IMPACT/OUTCOME: Implemented priority construction, modernization, and repair and maintenance needs to support the research mission of the Agency. With these improved facilities, ARS scientists will have available state-of-the-art facilities to conduct research. In addition, the employee work environment will meet all safety and health requirements, as well as meet the President's energy conservation goals.

PERFORMANCE GOAL 6.3.3.2: Priority projects are proposed for funding in ARS annual building and facility request.

Indicators:

During FY 2000, ARS will identify facilities to be modernized and constructed in accordance with mission priorities. The facility information will be forwarded to the Department for B & F (building and facility) funding consideration.

ACCOMPLISHMENTS: In FY 2000, ARS forwarded to the Department a request for \$135,845,000 in new B & F funding to address facility needs. Of this amount Congress eventually appropriated \$52,500,000 new construction and facilities modernization at priority locations.

IMPACT/OUTCOME: Implemented priority construction, modernization, and repair and maintenance needs to support the research mission of the Agency. With these improved facilities, ARS scientists will have available state-of-the-art facilities to conduct research. In addition, the employee work environment will meet all safety and health requirements, as well as meet the President's energy conservation goals.

STRATEGY 6.3.4: Maintenance of core research capabilities: Develop and implement comprehensive human resource systems and other administrative and financial support systems and policies to support and enhance ARS' core research capabilities while maintaining the flexibility to shift research and form interdisciplinary teams to address emerging problems.

PERFORMANCE GOAL 6.3.4.1: Identify core capability requirements and develop a scientific staff to meet long-term research needs.

Indicators:

During FY 2000, ARS will

increase its core capability by significantly increasing the number of research scientist positions (SYs).

ACCOMPLISHMENTS: ARS began FY 2000 with 1919 SYs on the rolls. By the end of FY 2000, it increased the number to 1963 on-board and 39 SYs pending entry on duty. This totaled 2002 SYs which slightly exceeded the core capability goal set by the Administrator. This goal was reached despite the fact that 103 SYs resigned, retired, or otherwise left the Agency during the fiscal year.

IMPACT/OUTCOME: ARS has a much stronger and higher quality research capability and is able to better respond to the many rapidly emerging agricultural problems facing the U.S. and the world.

conduct three consolidated scientist recruitment cycles.

ACCOMPLISHMENTS: Three cycles were conducted: Fall, Spring, and Summer. Consolidated recruitment included use of paid ads and the Internet for advertising, and publicizing vacancies at major professional society meetings. An average of 10 applications was received for each vacancy.

IMPACT/OUTCOME: Conducting the three cycles contributed to the success of the Accomplishment listed above, that is, restoration of core research capability in the Agency. The ad campaigns and use of Internet advertising resulted in broader distribution of information about ARS SY vacancies and a higher number of applications being received.

develop a core curriculum for new scientist orientation for use at field offices and laboratories.

ACCOMPLISHMENTS: The framework of a core curriculum has been developed, and has been used by all of the 8 Area Offices for conducting New SY orientation in FY 2000. The final version of the framework will be published by March 30, 2001.

IMPACT/OUTCOME: Newly hired SYs have become familiar with the Agency culture more quickly, have been provided with Agency information on reporting research and program accountability, and have received practical information on how to get things done (e.g. purchase equipment, hire technician support).

implement a new research leader training program. A formal leadership training program will also be established, including orientation within Headquarters and the Areas.

ACCOMPLISHMENTS: The New RL Training Program was established in FY 2000. There are 35 new RL participants in the Class of 2000. The first HQ orientation was conducted in April 2000. Participants who had not previously been enrolled in the Leadership Laboratory or attended the Congressional Briefings participated in the two offerings. IDP's have been developed for each new RL, tailored toward the type of training they specifically need. Registration for the Class of 2001 is now open.

IMPACT/OUTCOME: New RL's learned leadership skills, making them better leaders and supervisors. They gained exposure to Agency requirements and expectations during the HQ Orientation, and gained an understanding of how Congress works and an overview of the budget process during the Congressional Briefings.

PERFORMANCE GOAL 6.3.4.2: Train postdoctoral students through the ARS Research Associate Program and competitively select 10 percent each year to fill full-time positions.

Indicators:

During FY 2000, ARS will maintain its Research Associate Program as a source of qualified candidates for permanent research positions.

ACCOMPLISHMENTS: In FY 2000, ARS had 365 Research Associates on the rolls.

IMPACT/OUTCOME: Thirty-nine of the ARS Research Associates competed successfully and were selected for permanent Research Scientist positions in FY 2001.

STRATEGY 6.3.5: Provide administrative support to REE: Serve as the lead agency in providing administrative and financial management services for Research, Education, and Economics (REE) headquarters and field locations.

PERFORMANCE GOAL 6.3.5.1: Customer and employee participation in planning processes.

Indicators:

During FY 2000, ARS will continue to monitor customer and employee needs consistent with the AFM Strategic Plan and develop an AFM-wide customer and employee survey to obtain feedback on customer and employee satisfaction.

ACCOMPLISHMENTS: Each AFM functional division conducted a written survey of customers. Results were analyzed and action plans to address issues were developed, posted on the Division Web site, and implemented.

Teams were created to address issues raised during the biennial employee climate survey. Team recommendations were adopted regarding awards system, internal communications, employee involvement in the AFM Strategic Plan, and supervisor training.

IMPACT/OUTCOME: Customer service has been streamlined, errors reduced, and customer satisfaction increased. The employee awards system is more equitable and employee morale is improved. Communication, particularly between supervisors and employees has improved.

PERFORMANCE GOAL 6.3.5.2: Strategic plan is developed and communicated to REE customers and employees.

Indicators:

During FY 2000, ARS will collect customer and employee feedback to identify changing priorities and begin refinement of its Strategic Plan.

ACCOMPLISHMENTS: Each functional area of AFM conducted extensive customer surveys. Employee and customer feedback was also collected through focus groups, all-hands meetings, employee surveys, and face-to-face meetings with key personnel. A study of customer satisfaction was conducted by a private contractor and opportunities for improvement were identified.

An executive review team was established to study the AFM strategic planning process.

IMPACT/OUTCOME: A new version of the AFM Strategic Plan is under development. The new version will include reworked objectives on customer and employee feedback.

An action plan with target dates to address the opportunities identified in the external review report was developed and sent to all agency administrators.

PERFORMANCE GOAL 6.3.5.3: Formal feedback is solicited from REE customers.

Indicators:

During FY 2000, ARS will conduct written customer service surveys, meet regularly with REE agency administrators, conduct customer focus group sessions, and solicit customer feedback through the AFM web site.

ACCOMPLISHMENTS: AFM conducts regular, written customer surveys (see Goal 6.3.5.1 above). Meetings with Agency administrators are held weekly. Various AFM sections and branches conduct regular focus group sessions with REE customers. Each AFM division Web site, and the AFM main page solicits customer feedback. Responses to comments and questions are prompt and accurate.

IMPACT/OUTCOME: Areas of customer concern and interest have been quickly identified and addressed. AFM service is more efficient. Customer communication is good and customer satisfaction with AFM is high.

STRATEGY 6.3.6: Program Excellence and Relevance: Ensure excellence and relevance to ARS National Programs through peer reviews of research projects.

PERFORMANCE GOAL 6.3.6.1: Panel peer reviews are conducted on all research projects before implementation and subsequently every five years. The majority of the peer reviewers are external to ARS.

Indicators:

During FY 2000, ARS will panel peer review approximately 75 research projects.

ACCOMPLISHMENTS: 152 projects were panel reviewed in FY 2000.

IMPACT/OUTCOME: ARS met its goal to implement the new Peer Review Process with several pilot review sessions. Each project plan benefitted from its review and, in most cases, was certified for implementation within 3 months of the panel review.

PERFORMANCE GOAL 6.3.6.2: Review of the productivity, quality, and impact of individual scientists is conducted as scheduled in the Research Position Evaluation System (RPES).

Indicators:

During FY 2000, ARS will conduct RPES reviews of approximately 350 agency scientists.

ACCOMPLISHMENTS: During FY 2000, RPES peer panels reviewed a total of 356 ARS research scientist positions.

IMPACT/OUTCOME: Results of the reviews are: Upgrade - 163 (45.8%)
Remain in Grade - 185 (52.0%)

STRATEGY 6.3.7: Improve financial management: ARS/Administrative and Financial Management will support Departmental efforts to improve financial management.

PERFORMANCE GOAL 6.3.7.1: Implement integrated management systems in USDA.

Indicators:

Reporting will begin upon issuance of Departmental evidence on the Foundation of Financial Information System (FFIS) for mandatory use by USDA agencies.

During FY 2000, ARS will

continue to work with the Office of the Chief Financial Officer (OCFO) on the design and modification of the FFIS for use by REE.

ACCOMPLISHMENTS: Initiated FFIS implementation work groups for each REE agency.

IMPACT/OUTCOME: Implementation is underway.

continue to work with the NFC on implementing new and modernized financial systems for the REE agencies.

ACCOMPLISHMENTS: Initiated FFIS implementation work groups for each REE agency.

IMPACT/OUTCOME: Implementation is underway.

PERFORMANCE GOAL 6.3.7.2: Correct in a timely manner internal control deficiencies.

Indicators:

Reporting will begin upon issuance of Departmental evidence on the FFIS for mandatory use by USDA agencies.

During FY 2000, ARS will continue compliance with the FMFIA, including the timely completion of audit report recommendations and the timely correction of any FMFIA weaknesses that are identified.

ACCOMPLISHMENTS: Reviewed all GAO, OIG, and external audit recommendations and implemented corrective action as necessary.

IMPACT/OUTCOME: All identified FMFIA weaknesses are corrected.

PERFORMANCE GOAL 6.3.7.3: Clean and timely opinions are provided on audited financial statements.

Indicators:

Reporting will begin upon issuance of Departmental evidence on the FFIS for mandatory use by USDA agencies.

During FY 2000, ARS will prepare, review, and certify the yearly consolidated financial statements of the REE agencies as required under the Chief Financial Officer's Act.

ACCOMPLISHMENTS: Auditable financial statements were prepared in accordance with approved Departmental accounting standards.

IMPACT/OUTCOME: Financial statements are prepared correctly and receive a favorable auditor's opinion.

STRATEGY 6.3.8: Outreach: ARS will bring the benefits of research to under-served populations, identify barriers that prevent under-served populations from receiving and using agency-generated knowledge/technology, and increase participation of under-represented groups in agency procurement contracts.

PERFORMANCE GOAL 6.3.8.1: ARS will identify and generate a comprehensive directory of organizations that serve the under-served who are potential users of ARS research.

Indicators:

During FY 2000, ARS will identify research contacts in organizations serving historically under-served producers.

ACCOMPLISHMENTS: As of October 31, 2000, a directory of approximately 100+ outreach research contacts has been created.

IMPACT/OUTCOME: This database will enable ARS to involve representatives of historically under-served producers in research planning and technology transfer activities.

PERFORMANCE GOAL 6.3.8.2: ARS will convene a national outreach workshop that will bring together representatives of under-served populations.

Reporting will begin on this Performance Goal in FY 2001.

PERFORMANCE GOAL 6.3.8.3: In FY 2001, each ARS Area will convene Area workshops to identify researchable issues of interest to under-served populations

Indicators:

Reporting will begin on this Performance Goal in FY 2001.

PERFORMANCE GOAL 6.3.8.4: In FY 2000 (using 1999 data), establish baseline data for extramural agreements, Memoranda of Understanding, and Letters of Agreement with organizations serving historically under-served populations.

Indicators:

During FY 2000, ARS will establish baseline data for extramural agreement awards to organizations serving historically under-served populations.

ACCOMPLISHMENTS: The FY 1999 baseline data is 17 total awards to historically under-served organizations (1890's) for a total of \$1.6 million, which represents approximately 1.6% of total FY 1999 extramural funding of over \$105 million.

IMPACT/OUTCOME: N/A

PERFORMANCE GOAL 6.3.8.5: In FY 2001, ARS will increase its extramural agreements to organizations which serve under-served populations by no less than 20 percent over its established (FY 1999) baseline.

Indicators:

Reporting will begin on this Performance Goal in FY 2001.

PERFORMANCE GOAL 6.3.8.6: In FY 2001, ARS will show an increase in the number of invitations extended to representatives of under-served populations to participate in program workshops, symposia, project/program reviews, and site/location reviews.

Indicators:

Reporting will begin on this Performance Goal in FY 2001.

PERFORMANCE GOAL 6.3.8.7: In FY 2001, ARS will show an increase in the number of research collaborations and technology transfer activities focused on meeting the special needs of this target population.

Indicators:

Reporting will begin on this Performance Goal in FY 2001.

PERFORMANCE GOAL 6.3.8.8: In FY 2000, ARS will inform all senior managers and SYs of their roles and responsibilities under the outreach plan.

Indicators:

During FY 2000, ARS will brief senior agency managers.

ACCOMPLISHMENTS: The Administrator's Council (comprised of the Agency's senior managers) was briefed on their roles and responsibilities under the ARS Outreach Plan during their September 12-14, 2000, meeting. Further activities directed to all scientists and other managers will occur throughout FY 2001.

IMPACT/OUTCOME: The briefing for senior ARS managers enhanced support for the Department's outreach initiatives.

PERFORMANCE GOAL 6.3.8.9: In FY 2001, ARS will expand access to research information by the historically under-served organizations.

Indicators:

Reporting will begin on this Performance Goal in FY 2001.

PERFORMANCE GOAL 6.3.8.10: ARS will expand outreach efforts to interest under-served students in agriculture/food science.

Indicators:

Reporting will begin on this Performance Goal in FY 2001.

PERFORMANCE GOAL 6.3.8.11: ARS will work with educational institutions and community-based organizations serving target populations to identify barriers and develop strategies to get information to under-served populations.

Indicators:

Reporting will begin on this Performance Goal in FY 2001.

COOPERATIVE STATE RESEARCH, EDUCATION AND EXTENSION SERVICE

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The Cooperative State Research, Education, and Extension Service (CSREES) was created by the Department Reorganization Act of 1994 which merged the former Cooperative State Research Service and the former Extension Service into a single agency. The mission of CSREES is to achieve significant and equitable improvements in domestic and global economic, environmental, and social conditions by advancing creative and integrated research, education, and extension programs in food, agricultural, and related sciences in partnership with both the public and private sectors.

CSREES is an enabling agency which provides Federal financial assistance, program planning and coordination, and leadership to a widely dispersed, university-based research and education system. Information regarding appropriation authorities and CSREES' programs can be found in the CSREES Strategic and Annual Performance Plans. Being an enabling agency providing funds to universities, CSREES relies on the Congressionally mandated Plan of Work and Annual Report of Accomplishments and Results from the university partners for performance information regarding formula funded research and extension programs. This is mandated in the Agricultural, Research, Extension and Education Reform Act of 1998 (AREERA). The Annual Report is received in March of each year as stated in the Guidelines published in the Federal Register. Thus, the FY 2000 data included in this report does not reflect the formula funded effort of the university partners for the period October 1, 1999 - September 30, 2000, which is the bulk of our effort. This data will not be available until it has been reviewed and finalized. A summary will be available in June and will be reported in the 2001GPRA Performance Report due next year.

Only federal employees were involved in the preparation of this report.

CSREES PERFORMANCE SUMMARY	
Strategic Goal/ Management Initiative	FY 2000 Performance Goals
Goal 1: An agricultural production system that is highly competitive in the global economy.	Develop new and value added products
	Improved animal production systems.
	Reduce production costs and improve environmental stewardship
Goal 2: To provide a safe and secure food and fiber system.	Develop and improve detection and prevention methods
	Develop improved surveillance and education programs.
Goal 3: To achieve a healthier, more well-nourished population.	To improve the health of citizens through changes in diet, quality of food, and food choices.
	Molecular and cellular basis of nutrition.
Goal 4: To achieve greater harmony between agriculture and the environment.	To develop, transfer and promote the adoption of efficient and sustainable agriculture, and other resource conservation policies that ensure ecosystem integrity and biodiversity.
	To develop, transfer and promote efficient and sustainable technologies that protect water quality.
Goal 5: To enhance economic opportunity and the quality of life among families and communities.	Improve economic and social indicators of community well-being.
MI 1: Strengthen the Federal/State Partnership	Identify and implement funding opportunities that promote the agricultural research, extension, and education capacity of minority-serving institutions
	Encourage the participation of minority institutions in agency outreach efforts.
	Solicit and obtain input from CSREES stakeholders to address agricultural research, extension, and education issues and to develop approaches to problem-solving.
	Identify and foster partnerships with other Federal agencies to increase outside interest and support of CSREES activities.

CSREES PERFORMANCE SUMMARY	
Strategic Goal/ Management Initiative	FY 2000 Performance Goals
MI 2: Integration of Research, Extension, and Education	Develop and maintain an agenda for promoting the integration of research, extension, and education where possible.
MI 3: Improved Information Management Systems	Enhance the Current Research Information System (CRIS)
	Implement and Maintain the Research, Extension, and Education Information System (REEIS) for Use by the REE Agencies, USDA, and their Partners and Customers in Accessing Information
MI 4: Improving Financial Management within USDA	Implement integrated financial management systems in USDA
	Correct internal control deficiencies in a timely manner
	Maintain and provide access to reliable cost accounting information
	Clean and timely audit opinion on audited financial statements
	Compliance with Debarment and Suspension and Drug-Free Workplace Programs

Goal 1: An agricultural production system that is highly competitive in the global economy.

Objective 1.1: To produce new and value-added agricultural and forest products and commodities that are sustainable and increasingly competitive in the international marketplace.

Key Performance Goal

Develop new and value added products

CSREES funding has resulted in increased earnings for farmers through developing new and value-added agricultural products.

Florida has developed a new technology that converts food wastes to liquid fertilizer. The fertilizer nitrogen value produced from two tons of food waste per week ranges from \$800 to more than \$10,000 annually if calculated on the basis of nitrogen values in poultry litter or fish emulsion, respectively. Additional farm income could be derived from tipping fees for accepting food waste; a \$20-per-ton tipping fee would produce \$2,000 extra annual income.

New Hampshire has developed edible pumpkin seeds with larger seed size and better tolerance to fruit rot. This and other hybrids will be promoted in North America based on use of pumpkin seeds for puffed snack products, various granola products, trail mixes, nutritious sandwich spreads, a specialized salad oil and confectionary use. **Illinois** has developed a new corn product called "oxydiesel" fuel. It would improve emissions from diesel engines.

Analysis of Results: The performance goal was met through the research and extension work of the CSREES State partners.

Objective 1.2: To increase global competitiveness of the U.S. agricultural production system.

Key Performance Goal:

Improved animal production systems.

Based on human brain research by **Illinois** that may lead to treatment for stroke, Alzheimer's disease, multiple sclerosis, and AIDS-dementia complex, it may be possible to develop treatments based on same-type molecules that allow animals to better withstand disease, producing healthier and more profitable livestock.

A team of researchers in **Wyoming**, in collaboration with researchers at the Virginia-Maryland Regional College of Veterinary Medicine and the Agricultural Research Service, demonstrated that the dog is a definitive host for neosporosis, an economically devastating disease in cattle. This paves the way to develop practical management recommendations to prevent transmission of this organism to cattle.

Scientists in **Iowa** found that diets high in potassium actually induce milk fever by increasing blood salinity. The benefit of this study is enormous to the dairy industry. They are already changing the way U.S. cows are being fed before calving. The findings will help curtail large economic losses due to milk fever. Additional economic benefits should include reductions in the incidence of other important dairy cattle diseases, such as ketosis and mastitis, for which cows with milk fever are at high risk.

Analysis of Results: The performance goal was met through the research and extension work of the CSREES State partners.

Objective 1.4: Reduce production costs and improve environmental stewardship.

Key Performance Goal:

Reduce production costs and improve environmental stewardship.

Fusarium Head Blight, known as scab to grain farmers, is a disease that is devastating the wheat and barley growing regions of the Upper Great Plains. Nationally, wheat producers have lost \$1.3 billion to the disease. **North Dakota** researchers developed a computerized system that uses infrared video to assess spray coverage of crop protection products on the complex surface of a vertical grain head. Approval was gained to use several new fungicides on wheat, and producers had new information to help select fungicides best suited to their production system and local conditions.

Connecticut implemented a pro-active educational approach to pest control to minimize the likelihood of potential problems. Program participants reduced the amount of pesticides applied and/or applications as follows: vegetable growers by 56 percent, field corn growers by 33 percent, turfgrass managers by 46 percent, apple growers by six treatments per year, and greenhouse growers by four sprays per crop cycle. Users of IPM techniques reported crop quality and yield generally increased or remained the same as before using IPM and reduced possible adverse effects on human health and the environment, contamination of groundwater, residues on food, resistance to pesticides, adverse effects on biological control organisms, toxicity to honey bees and costs of pesticides.

Planting radish and mustard as "trap" crops in the traditional sugar beet/barley rotation in **Wyoming** stymied damaging nematodes and shows promise as an inexpensive, environmentally beneficial alternative to pesticides. On a typical 720-acre farm in the sugar beet-growing region, farmers can increase profit up to 6 percent annually. Farmers can get even more bang for their buck by bringing in lambs to graze the radish stand as a late-season forage. Research showed lamb weight gains of close to half a pound per day on 240 acres of radish, reducing feedlot time from 105 to 77 days and raising annual returns up to 9 percent.

Mississippi syrup crop producers are improving their growing methods and earning as much as \$25 more per gallon thanks to a statewide training program run by Alcorn State University Cooperative Extension Program. To rejuvenate the sweet sorghum and sugarcane industry, which has declined largely due to high labor requirements and low market prices, Alcorn extension educators developed a mobile educational program centering around a syrup

harvesting and processing machine they dubbed the “Mill on Wheels.” The equipment replaces hand-harvesting, saving up to \$800 an acre.

Analysis of Results: The performance goal was met through the research and extension work of the CSREES State partners.

Goal 2: To provide a safe and secure food and fiber system.

Objective 2.1: To improve food safety by controlling or eliminating food-borne risks.

Key Performance Goals

Develop and improve detection and prevention methods.

CSREES funding is enabling research and development of rapid detection methods to improve food safety by controlling or eliminating food-borne risks.

Florida scientists are the first in the nation to begin testing highly accurate electronic noses that sniff out fishy seafood before it gets to the consumer. The computerized tabletop units are also being used to find bacteria in wounds, inspect toxic waste sites and check the quality of wine and coffee. In 43 tests on good and bad shrimp, the electronic nose was in perfect agreement with inspectors who visited the University of Florida campus.

Healthy cattle carry the human bacterial pathogen *E. coli* O157:H7 into our food chain. The bacterium produces a highly toxic protein called a Shiga toxin. **Idaho** scientists have undertaken a multi-spectrum approach to combating *E. coli* O157:H7. One project focuses on whether pre-harvest management can reduce the risk of animals carrying the bacterium reaching the food supply. A bacterial phage or virus specific to O157 is also being tested to eliminate the bacterium from cattle, fresh vegetables or manure. A final project seeks an oral vaccine to protect people from O157.

Analysis of Results: The performance goal was met through the research and extension work of the CSREES State partners.

Develop improved surveillance and education programs.

Evaluations of the **Expanded Food and Nutrition Education Program (EFNEP)** show that EFNEP graduates learn valuable skills of benefit not only to themselves but also to society. As a result of this program, 87 percent improved nutrition practices, and 66 percent improved safe food handling practices.

The **Arizona** program, “Safe Food 2000,” focused on food safety education with the general public, school food service staffs, group home staffs, food banks and other community groups. More than 3,200 low income families annually have attended classes in Arizona. Of these, 95 percent have made positive changes in their food behaviors, and 55 percent improved safe food practices, according to follow-up surveys. Safe food practices result in reduced medical costs and fewer lost work days. Similar results occurred with school and institutional food service staffs.

North Dakota Extension held food safety workshops throughout the state. The six-hour workshops focused on the Hazard Analysis and Critical Control Point approach to food safety. Follow-up surveys indicate all participants made some changes in their food handling practices based on recommendations in the training. Some key areas: 60 percent changed cooling procedures; more than 50 percent have implemented improved hand washing procedures; and about 60 percent used the material to train other employees.

Analysis of Results: The performance goal was met through the research and extension work of the CSREES State partners.

Goal 3: To achieve a healthier, more well-nourished population.

Objective 3.1: Optimal Health through improved nutrition.

Key Performance Goals

To improve the health of citizens through changes in diet, quality of food, and food choices.

Arkansas conducted a study to evaluate the effect of exercise and nutrition education on body weight, blood pressure, serum cholesterol, LDL cholesterol, HDL cholesterol, serum triglycerides and dietary practices in African Americans. Twenty-four hour food recalls, dietary data, socio-economic data, serum samples, body weight, blood pressure measurement, and exercise patterns were obtained from African American women with hypertension. In addition, the participants were requested to respond to a survey about meats, fat, and salt consumption. Women also performed aerobic group exercises for 45 minutes per session three times a week (50 or more sessions). A registered dietician provided ten, one hour sessions once a week. These discussions included the use of food exchange lists, planning meals for home and outside the home, reading food labels, learning the sources of saturated fat, cholesterol and sodium, and achieving weight maintenance. Preliminary analyses of the data reveal that serum cholesterol was lower in 41 percent, triglycerides was lower in 60 percent, LDL was lower in 43 percent, 60 percent had a drop in blood pressure, 43 percent lost weight, and 28 percent had an increase in HDL values.

Evaluations of the Expanded Food and Nutrition Education Program (EFNEP) show that EFNEP graduates learn valuable skills of benefit not only to themselves but also to society. As a result of this program, 92 percent of participants improved their diets to more closely follow the USDA Food Guide Pyramid recommendations, 82 percent improved food resource management skills.

Analysis of Results: The performance goal was met through the research and extension work of the CSREES State partners.

Molecular and cellular basis of nutrition.

Illinois is developing a system to extract cancer-fighting compounds from plant cells in a laboratory environment. Researchers have cultivated plant cells in bioreactors to produce beneficial anti-tumor compounds and natural colorants known to inhibit the early development of tumors and a whole set of compounds that inhibit growth of established tumors. The long-term potential of this research is a whole new set of health foods and pharmaceutical products.

Analysis of Results: The performance goal was met through the research and extension work of the CSREES State partners.

Goal 4: To achieve greater harmony between agriculture and the environment.

Objective 4.1: To protect the natural resource base to ensure both sustainability and economic viability for multipurpose use (e.g. agriculture, forestry, wildlife, recreation, etc.)

Key Performance Goals

To develop, transfer and promote the adoption of efficient and sustainable agriculture, and other resource conservation policies that ensure ecosystem integrity and biodiversity.

Planting cover crops and reducing tillage in **Oregon** vegetable systems improved soil quality in just one to two years. Scientists conducting research in the Willamette Valley were surprised to observe changes in soil structure and biology--including increased enzyme activities, improved soil aggregation and greater populations of soil fauna--in such a short time. Comparing the "improved" system to a conventional system, researchers observed more beneficial insects such as ground beetles, greater microbial activity and better water infiltration.

Nebraska research is yielding comprehensive scientific information about how, where and why different weeds grow in typical farm fields. Farmers then can decide whether to treat the field uniformly based on average weed conditions or to tailor site-specific controls. Scientists have incorporated these new techniques into WeedSOFT, a weed management software program, which is used to manage weeds on about 1 million crop acres. Farmers and consultants who have adopted these techniques report they have a more accurate and timely picture of their weed situation and can manage weeds effectively, often with less herbicide and lower per-acre costs.

Virginia researchers worked to genetically engineer soybeans to allow the animals to access more of the plant's naturally occurring phosphorus. The genetic engineering effort is aimed at reducing the levels of phytate in soybeans. Phytate is a storage form that renders phosphorus largely unavailable to the animal's digestive system. Thus, more of the naturally occurring phosphorus will be available and less phosphorus will have to be added to the feed. The result will be a decrease in phosphorus excreted by the animals.

A multidisciplinary research team in **Mississippi** constructed a manure/sand solids separation facility to help identify management procedures and specific equipment needed to effectively remove sand bedding from the waste stream as it flushes from the barn but before it gets into the dairy lagoon.

Massachusetts research found horticultural practices, biocontrols and spot pesticide sprays may provide the best defense against some intractable summer apple pests. The project targets European red mites, plum curculio, apple maggot and flyspeck disease, the prime targets of summer pesticide applications. By studying the influence of tree shape, size and planting densities on biologically based pest management strategies, the project is yielding information growers can use to reduce pesticide costs--and unwanted residues on fruit.

Washington developed a mating disruption technique against the codling moth which was used on 70,000 acres of Washington apple and pear orchards--about 30% of the state's apple and pear acreage as well as on acreages in California and Oregon. The results in Washington State are reduced populations of codling moth in the test sites and a reduction in codling moth damage, from about 1% of all fruit to less than 1/1000th of a percent 3 years into the project. In addition, the project has enabled Washington fruit growers to reduce their use of insecticides to control codling moths by some 70%. This saves growers money as well as time, lowers residues on fruit and provides a safer work environment for farm workers.

Analysis of Results: The performance goal was met through the research and extension work of the CSREES State partners.

To develop, transfer and promote efficient and sustainable technologies that protect water quality.

Iowa researchers developed a fertilizer applicator that keeps nitrogen in the plant root zone for longer periods of time. It uses controlled subsoil compaction to close large pores in the soil through which nitrate dissolved in water could flow and places a dome of soil over the furrow that directs rainwater away from where the fertilizer is injected. Crop yields with the new applicator were equal with conventional fertilizer placement in most years, but were better

in wet years when more leaching occurs. The applicator could decrease leaching by five pounds an acre, which would reduce the amount of nitrate ending up in the environment by about 20 percent.

Analysis of Results: The performance goal was met through the research and extension work of the CSREES State partners.

Goal 5: To enhance economic opportunity and the quality of life among families and communities.

Objective 5.2: To increase the capacity of communities, families, and individuals to improve their own quality of life.

Key Performance Goal

Improve economic and social indicators of community well-being.

Researchers at **Oklahoma State University** did find a way to add three to six months to the shelf life of fresh pecans. And, in the process, they used and refined a food oil extraction process enabling them to also produce the first-ever reduced calorie pecans and a heart healthy pecan salad oil and gave birth to a new business for Oklahoma. It has now been the catalyst for new jobs and new business. A Tulsa-based Oklahoma company has begun production of the salad oil. A company has started construction of a new extraction business in the state.

Washington Extension's Energy Program for Fort Lewis near Tacoma, in its first full year, saved nearly 167 million BTUs of energy, enough to power 1835 Washington homes for a year. That translates into a \$590,000 savings for taxpayers in one year.

Studies show teenagers reach adulthood without basic skills and knowledge to make educated financial decisions. **Idaho** educators trained classroom teachers and youth-service professionals to present curriculum to help students understand basic financial planning concepts and how they apply to everyday life. A national evaluation of the program showed significant, positive change in personal financial knowledge, behavior and confidence among high school students who took part in the High School Financial Planning Program. Among participants 29 percent of teens started saving, 15 percent increased savings, 37 percent could tract spending better, 47 percent knew more about the cost of credit, 38 percent knew more about investments and 38 percent felt more confident managing their money.

Reducing developmental risks for children and youth in limited-resource communities is imperative if they are to become productive citizens. **Delaware** is working with community residents to assess needs and strengths, develop resources and implement customized programs to reduce developmental risks for children and youth. These include after-school and summer camp programs that provide tutoring, computer experience, social skill building and enrichment programs for youth. Parents and youths also have an opportunity to participate in a substance use prevention program and Internet access. Sites report fighting has decreased 100 percent and computer skills have increased 100 percent. Also improved are better attitudes (90 percent), getting along with others (81 percent), improved reading skills (78 percent), improved math skills (70 percent), and planning future goals and careers (57 percent). Overall, parents and community leaders report that youths have improved greatly in social skills and being more respectful toward adults.

The **New Mexico** "Baby's First Wish" newsletter program provides free parenting information and resources to New Mexico families. Through the program, "Baby's First Wish" newsletters are mailed monthly to 9,700 homes. Subscription forms are distributed with birth certificates. The newsletters focus on child development stages and corresponding parenting techniques, beginning at one month of age and continuing through 36 months. "Baby's

First Wish” often is read by more than one person in each home, putting readership at about 27,000 statewide. In surveys, parents evaluated their increase in knowledge from reading the newsletter. They reported significant gains in areas such as child health and safety, ways to play with and teach children and ways to reduce parents’ stress.

Analysis of Results: The performance goal was met through the research and extension work of the CSREES State partners.

Management Initiative 1: Strengthen the Federal/State Partnership

Key Performance Goals

Identify and implement funding opportunities that promote the agricultural research, extension, and education capacity of minority-serving institutions.

As a result of USDA’s 1997 Civil Rights Action Team (CRAT) report, increased efforts were made to ensure that research, education, and extension programs meet the needs of underserved populations. For example, under programs targeted to the Nation’s Tribal Colleges and Hispanic-Serving Institutions, awards were made to enhance faculty teaching competencies, update and expand curricula, enhance library resources, encourage the use of new technologies such as distance education, and recruitment and retention of multicultural students.

Encourage the participation of minority institutions in agency outreach efforts.

Workshops were presented at several minority-serving institutions to develop new and expanded partnerships, identify staff development and other needs and provide training on how to write grant proposals in anticipation that these institutions will be better prepared to compete in a broader range of grant programs.

Solicit and obtain input from CSREES stakeholders to address agricultural research, extension, and education issues and to develop approaches to problem-solving.

CSREES obtained input from the land-grant university system and the National Agricultural Research, Extension, Education, and Economics Advisory Board on national priorities in the development of the FY 2002 Agency budget estimate. CSREES obtained stakeholder input on the implementation of the Initiative for Future Agriculture and Food Systems Program and the Integrated Research, Education, and Extension Competitive Grants Program. CSREES solicited input from stakeholders for the National Research Initiative Competitive Grants Program.

Identify and foster partnerships with other Federal Agencies to increase outside interest and support of CSREES activities.

CSREES received approximately \$30.5 million from other Federal agencies in FY 2000 to further activities that are of mutual interest to CSREES and the contributing agencies. For example, in FY 2000 CSREES received approximately \$6.6 million from the Foreign Agricultural Service to support the implementation of agriculture marketing assistance activities in Armenia.

Management Initiative 2: Integration of Research, Extension, and Education

Key Performance Goal

Develop and maintain an agenda for promoting the integration of research, extension, and education where possible

CSREES continued to work with the land-grant university system to implement provisions of the Agricultural Research, Extension, and Education Reform Act of 1998 requiring that certain percentages of formula funds be dedicated to integrated extension and research activities.

CSREES implemented the Integrated Research, Education, and Extension Competitive Grants program to support integrated activities in water quality, food safety, and pest management. Grants totaling \$37.4 million were funded in FY 2000.

Management Initiative 3: Improved Information Management Systems

Key Performance Goals

Enhance the Current Research Information System (CRIS)

CSREES collaborated with land-grant university partners and other USDA agencies to enhance the Current Research Information System (CRIS) to improve CRIS' ability to provide current information on the research programs of USDA and the State Agricultural Experiment Stations. CRIS technical data is now available worldwide through the Internet. A new CRIS taxonomy has been developed which has involved the reclassification of 19,000 active projects by universities, ARS, ERS, and FS. The group working on this project received the Secretary's Honor Award for their efforts.

Implement and Maintain the Research, Extension, and Education Information System (REEIS) for Use by the REE Agencies, USDA, and their Partners and Customers in Accessing Information

CSREES has completed a National Needs Assessment for REEIS and is continuing development of the policy and technical requirements and the design and unveiling of the REEIS prototype - a platform linking approximately 39 different USDA supported databases.

Management Initiative 4: Improving Financial Management within USDA

Key Performance Goals

Implement integrated financial management systems in USDA

On behalf of the Research, Education, and Economics (REE) mission area, the Agricultural Research Service (ARS) continued to work with the Office Chief Financial Officer (OCFO) and the National Finance Center (NFC) in the planning, design and modification of the Department-sponsored financial system improvement initiatives. The REE agencies, including CSREES, continued to work with NFC on implementing new and modernized financial systems.

Correct internal control deficiencies in a timely manner

CSREES continued its compliance with Federal Managers' Financial Integrity Act (FMFIA) reporting requirements, including the timely completion of audit report recommendations and the timely correction of any FMFIA weaknesses that are identified.

Maintain and provide access to reliable cost accounting information

CSREES continued to work with the OCFO and NFC to implement and employ cost accounting principles to the maximum extent necessary to accomplish the agency mission.

CSREES performed all necessary biennial reviews of user charges as required by OMB Circular A-25, User Charges reviewed agency operations for new potential user fee situations.

Clean and timely audit opinion on audited financial statements

On behalf of the REE agencies, ARS coordinated the preparation of yearly Consolidated Financial Statements of the agencies in accordance with Departmental prescribed procedures, and as required under the Chief Financial Officer's Act.

Compliance with Debarment and Suspension and Drug-Free Workplace Programs

CSREES continued to require all recipients of grants and/or cooperative agreements to comply with debarment and suspension and drug-free workplace requirements.

ECONOMIC RESEARCH SERVICE

FY 2000 ANNUAL PERFORMANCE REPORT

The Economic Research Service was established in 1961 from components of the former Bureau of Agricultural Economics principally under the authority of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627). ERS's portfolio was expanded to include international work with the addition of country specialists from the Office of Foreign Agricultural Relations. ERS performs work under one appropriation item—economic analysis and research.

The mission of the Economic Research Service is to inform and enhance public and private decision making on economic and policy issues related to agriculture, food, natural resources, and rural development.

More information on ERS's program is contained in the ERS Strategic plan and the ERS Annual Performance Plans. Only Federal employees were involved in the preparation of this report.

The following table provides summary information on ERS's achievement of FY 2000 Performance Goals. The same two indicators were used for each goal. The first measures the quality of published research, which encompasses research and analysis disseminated to the public, including information on the ERS website, USDA-published monographs, journal articles, periodicals, and other media. The second indicator measures the timeliness of analyses requested by and developed for policymakers, primarily in the Department of Agriculture, the rest of the Executive Branch and the Congress. Most often these are specific questions and have relatively short deadlines.

ERS PERFORMANCE GOAL SUMMARY			
Strategic Goal	FY 2000 Performance Goals	Performance	
		Target	Actual
Goal 1: The agricultural production system is highly competitive in the global economy.	Provide timely and high quality analyses of the economic issues affecting U.S. food and agriculture sector's competitiveness including factors related to performance, structure, risk and uncertainty, marketing, and market and non-market trade barriers. Published research meets peer review standards Requested analyses delivered by deadline	100% 90%*	100% 92%
Goal 2: The food production system is safe and secure.	Provide timely and high quality analyses of economic issues affecting the safety of the U.S. food supply including the efficacy, efficiency, and equity of alternative policies and programs designed to protect consumers from unsafe food. Published research meets peer review standards Requested analyses delivered by deadline	100% 90%	100% 88%
Goal 3: The nation's population is healthy and well-nourished.	Provide timely and high quality analyses of economic issues affecting the nutrition and health of the U.S. population including factors related to food choices, consumption patterns at and away from home, food prices, food assistance programs, nutrition education, and food industry structure. Published research meets peer review standards Requested analyses delivered by deadline	100% 90%	100% 93%

ERS PERFORMANCE GOAL SUMMARY			
Strategic Goal	FY 2000 Performance Goals	Performance	
		Target	Actual
Goal 4: Agriculture and the environment are in harmony.	Provide timely and high quality analyses of economic issues affecting agriculture's interface with the environment including those related to integrated pest management, sustainability, biodiversity, global change, and environmental accounting. Published research meets peer review standards Requested analyses delivered by deadline	100% 90%	100% 92%
Goal 5: Enhanced economic opportunity and quality of life for rural Americans.	Provide timely and high quality economic analyses that identify (1) how investments in rural people, businesses, and communities affect rural economies' capacity to survive and prosper in the global marketplace and (2) what policies and programs keep American farms of all sizes viable. Published research meets peer review standards Requested analyses delivered by deadline	100% 90%	100% 93%
Mgmt. Initiative 1 Exert dynamic civil rights leadership in support of an organizational culture based upon the fundamental values of fairness and respect.	ERS efforts contribute to increasing the diversity of the discipline of agricultural economics, ultimately leading to progress in increasing the diversity of the 110 Economist series in ERS. A diverse group of students is recruited and selected for the summer intern program. ERS employees and managers use a variety of Alternative Dispute Resolution resources to address and resolve workplace disputes. Early intervention and/or mediation are offered to EEO complainants. Establish and maintain REE EEO Alternative Dispute Resolution Program. Publicize REE Cooperative Resolution Program. ERS managers receive conflict resolution training. ERS staff take advantage of opportunities to increase their skills and contribute to the mission of the agency at a more advanced level. ERS management commits funds for short-and long-term training. Staff in career enhancement positions progress toward target series and grades.	Yes Yes Yes Yes Yes 1% of salary funds 8CE positions	Yes Yes Yes Yes 1.3% of salary funds 9 CE positions

*The FY2000 Annual Performance Plan indicated 95% under Goal 1 in error; the indicator for timeliness of staff analysis was intended to be consistent (90%) across all five goals for FY 2000.

The sections on **2000 Data, Actions and Schedules**, and **Program Evaluations** encompass all five goals and are located after the discussions of results for each individual goal.

Goal 1: The agricultural production system is highly competitive in the global economy.

Objective 1.1: Enhanced understanding by policy makers, regulators, program managers, and those shaping public debate of economic issues involved in ensuring that the U.S. food and agriculture sector effectively adapts to changing market structure, domestic policy reforms, and post-GATT and post-NAFTA trade conditions.

Key Performance Goal

Provide timely and high quality analyses of the economic issues affecting U.S. food and agriculture sector's competitiveness including factors related to performance, structure, risk and uncertainty, marketing, and market and non-market trade barriers.

Percentage of published research that meets peer review standards

Target: 100

Actual: 100

Percentage of requested analyses delivered by deadline

Target: 90

Actual: 92

Year	Published Research Meets Peer Review Standards: Actual (Percentage)	Published Research Meets Peer Review Standards: Target (Percentage)	Requested Analyses Meet Deadline: Actual (Percentage)	Requested Analyses Meet Deadline: Target (Percentage)
1998	100%	n/a	87%	n/a
1999	100%	100%	82%	95%
2000	100%	100%	92%	90%

Analysis of Results: ERS met this performance goal, both in terms of the performance indicators and in terms of a more substantive review of the agency's program. (Note that the FY2000 Annual Performance Plan indicated 95% under Goal 1 in error; the indicator for timeliness of staff analysis was intended to be consistent (90%) across all five goals for FY 2000 as indicated above). As noted in the section at the end on 2000 Data, the two indicators above provide useful, but limited, information on ERS's success at meeting its objective of enhancing the understanding of policy makers and others of economic issues. As indicated in the ERS Performance Plan, narrative is necessary to provide complementary information on the issues addressed during the year, the relevance of the issues and substance of the work, the means by which the work was disseminated, and the way the work was used. The following are contributions made by the ERS program in FY 2000:

Agriculture and the World Trade Organization Negotiations. During 2000, the ERS research program provided valuable understanding and insight for senior USDA policy staff and the Office of the U.S. Trade Representative (USTR). A major research effort analyzed alternative prospects for further liberalization in global agricultural markets. ERS led an international research effort that culminated in the release of a global agricultural tariff database. As a result, trade negotiators now understand that tariffs on food and agricultural products constitute the most significant barrier to increased market access for U.S. products. ERS research on the implications of China's accession to the WTO for U.S. agriculture indicated substantial gains for U.S. agricultural exports. Published reports and briefings made this research available to senior staff in USDA and USTR, Congress, and commodity and trade groups.

U.S. Farm Program Benefits. Direct Government payments to the U.S. farm sector topped \$20 billion in FY 2000. ERS analyses in 2000 identified the links between U.S. farm programs and production decisions. Results of the research provided policy makers with a more comprehensive understanding of the program-related economic incentives that may alter production decisions. Crop and revenue insurance play a prominent role in U.S. agricultural policy as part of the farm safety net. ERS research continued to assess farmers' exposure to price and market risk, to evaluate various risk management strategies, and to analyze Government programs addressing risk management. An analysis of differences in yield and revenue risk in explaining farmers' choices of insurance product or coverage levels provided USDA's Risk Management Agency with information useful to its ongoing assessment of insurance product availability and coverage levels.

Developing a Safety Net for Farm Households. Discussions in the public arena have raised fundamental questions about the ultimate goals of farm policy and the need for establishing a safety net for farm households. ERS initiated research to examine different scenarios for Government assistance to agriculture based on the concept of ensuring some minimum standard of living. *A Safety Net for Farm Households* highlights the fact that the farm sector is clearly heterogeneous and a one-size-fits-all approach, as typifies most current programs, is unlikely to address the most significant income problems of U.S. farmers. Findings from this study have been presented to senior policy officials across Government to help inform the debate over directions for future farm policy goals.

Performance of Agricultural Commodity Markets. ERS continued its research on the changing nature of price determination in agricultural commodity markets. A report, *Supply Response Under the 1996 Farm Act and Implications for the U.S. Field Crops Sector*, assessed how changes in commodity farm policy have influenced the way producers respond to changes in market prices. These new relationships provide an enhanced analytic base for the Department's short-term market analysis and long-term outlook projection activities. The pricing relationships have additionally been shared with the Congressional Budget Office staff and are being used in their baseline projection activities.

Food and Agricultural Structure. ERS tracks and explains the structural changes being experienced in the U.S. agricultural and food system, an effort particularly important to understanding the heterogeneity of farms and agribusinesses across the nation, and the implications of these differences for policy design. Limited resources curtail ERS efforts in this area, though the agency recognizes that the rapid changes taking place are of increasing importance to policy makers. In spite of these limits, ERS research has furthered the understanding of USDA decision makers and others about the implications of changing market structure for producers and consumers. In FY 2000, ERS analyzed specific structural changes in various components of the food and agricultural sector.

1. Market Structure. *Vertical Coordination in the Pork and Broiler Industries: Implications for Pork and Chicken Products*, described how new methods of organizing production in the pork and broiler industries led to lower costs, more production, lower retail prices, and more uniform quality. *Understanding the Dynamics of Produce Markets: Consumption and Consolidation Grow*, examined changes in U.S. produce markets and market channels from 1987 to 1997. This was the first in a series of reports examining competitive behavior in the U.S. produce industry. *Consolidation in U.S. Meatpacking* analyzes the causes and effects of dramatic changes in the meatpacking and chicken and turkey slaughter industries, as plant size has grown and concentration have increased.

2. Farm Structure. In 2000, ERS published in-depth reports on the U.S. dairy and wheat sectors, *Structure, Management, and Performance Characteristics of Specialized Dairy Farm Businesses in the United States* and *Characteristics of U.S. Wheat Farming: A Snapshot*.

Agricultural R&D. *Public-Private Collaboration in Agricultural Research: New Institutional Arrangements and Economic Implications* (Iowa State University Press), based on ERS internal and sponsored research, was published in FY 2000. The book expanded knowledge of the changing structure of the agricultural

research system in three important ways. First, it described agricultural research investments in more detail than previously available. Second, it assessed several new institutional innovations that have arisen to strengthen public-private collaboration in research. Third, it explored the international dimension of agricultural technology transfer and the growing global interdependence in agricultural science and technology.

Agricultural Productivity. In FY 2000, ERS published a new data product, *Agricultural Productivity in the U.S.*, now available on the ERS website (www.ers.usda.gov). Further, ERS co-sponsored a workshop entitled "Agricultural Productivity: Data, Methods, and Measures," in collaboration with a North Central regional research committee and the Farm Foundation. The proceedings will be published as a book. In addition, ERS participated in a variety of activities to disseminate its research on measures of agricultural productivity internationally, including an Organization for Economic Cooperation and Development meeting on the Economic Accounts for Agriculture and a Bureau of Labor Statistics International Seminar on Measuring Productivity.

Current Fiscal Year Performance: Progress on this goal is continuing in FY 2001. On an ongoing basis, ERS is developing and disseminating research and analysis on the U.S. food and agriculture sector's competitiveness, including continuing work on issues relating to the World Trade Organization (WTO) and Regional Trade agreements; domestic policy reforms; the structure and performance of agricultural commodity markets; the economic and financial structure, performance and viability of the farm sector and different types of farms; the state of global food security; technological innovation; and crop insurance reform and other forms of risk management. ERS also is monitoring the food marketing system, identifying the new trends in a variety of product introductions and price distributions, and assessing the efficiency of the food supply chain.

Goal 2: The food production system is safe and secure.

Objective 2.1: Enhanced understanding by policy makers, regulators, program managers, and those shaping public debate of economic issues involved in improving the efficiency, efficacy, and equity of public policies and programs designed to protect consumers from unsafe food.

Key Performance Goal

Provide timely and high quality analyses of economic issues affecting the safety of the U.S. food supply including the efficacy, efficiency, and equity of alternative policies and programs designed to protect consumers from unsafe food.

Percentage of published research that meets peer review standards

Target: 100

Actual: 100

Percentage of requested analyses delivered by deadline

Target: 90

Actual: 88

Year	Published Research Meets Peer Review Standards: Actual (Percentage)	Published Research Meets Peer Review Standards: Target (Percentage)	Requested Analyses Meet Deadline: Actual (Percentage)	Requested Analyses Meet Deadline: Target (Percentage)
1998	100%	n/a	93%	n/a
1999	100%	100%	87%	95%
2000	100%	100%	88%	90%

Analysis of Results: ERS met the overall requirements of this goal and met the target for the first indicator, but barely missed its goal on timeliness of staff analysis. This reflected a failure to meet two deadlines, one by 2 days and the other by 3 days. The two missed deadlines were not significant in terms of achieving the overall objective. As indicated in the ERS Performance Plan, narrative is necessary to provide complementary information on the issues addressed during the year, the relevance of the issues and substance of the work, the means by which the work was disseminated, and the way the work was used. The following are contributions made by the ERS program in FY 2000:

Assigning Values to Life: Comparing Methods for Valuing Health Risks. ERS researchers examined five approaches economists and health policy analysts have developed for evaluating policy affecting health and safety: cost-of-illness, willingness-to-pay, cost-effectiveness analysis, risk-risk analysis, and health-health analysis. They found distinct differences among the approaches in terms of their appropriateness in analyzing different kinds of issues. Using those differences as a basis, a research report, *Assigning Values to Life: Comparing Methods for Evaluating Health Risks*, suggests the appropriate use for each approach. The research is used by regulatory agencies, such as the Food Safety and Inspection Service, in their cost/benefit analysis of proposed regulatory actions.

Costs and Benefits of Improvements in Food Safety. The level and distribution of the costs and benefits of the Food Safety and Inspection Service's (FSIS) Hazard Analysis and Critical Control Point (HACCP) regulatory program for meat and poultry change dramatically when economy-wide effects are included in the analysis. *Tracing the Costs and Benefits of Improvements in Food Safety: The Case of HACCP for Meat and Poultry* provided policymakers with information about who ultimately benefits from reduced foodborne illnesses and who ultimately pays the costs of food safety regulation. This analysis also explored a number of issues central to congressionally-mandated cost/benefit analysis involving health, highlighting the danger of equating changes in income with changes in well-being. FSIS used the research to determine who would gain and who would lose as a result of their regulatory program

Consumer Acceptance of Irradiated Meat and Poultry Products. The Federal Government began allowing food manufacturers to irradiate raw meat and meat products to control pathogenic microorganisms in February 2000. However, food manufacturers have been slow to adopt irradiation, partly because of the perception that relatively few consumers are willing to buy irradiated foods. *Consumer Acceptance of Irradiated Meat and Poultry* reported on a recent survey by the Foodborne Diseases Active Surveillance Network that confirmed this perception. The findings suggest that the impact of food irradiation on public health will be limited unless consumer preferences change, perhaps in response to educational messages about the safety and benefits of food irradiation. The Food Safety and Inspection Service, in its efforts to ensure the availability of safe meat, is using this research to help assess the pros and cons of irradiation as a tool in achieving its goals.

Current Fiscal Year Performance: ERS expects to meet this goal again in FY 2001. ERS continues to study the costs of foodborne illnesses and the benefits of improving food safety. ERS is also actively collaborating with partner agencies in the National Food Safety Initiative. ERS researchers are studying ways to rank food safety risks on the basis of economic costs to assist the Risk Assessment Consortium in its efforts to prioritize food safety risks. Agency staff are also participating in the Antimicrobial Resistance Working Group, the Joint Institute for Food Safety Research, the Animal Production Food Safety Committee, the Risk Assessment Consortium Policy Committee, and the Interagency Working Group on Produce Food Safety Issues.

ERS received increased funding for work under Goal 2 in FY 1999 and FY 2000. Using this funding, ERS administered a competitive process through which several grants were awarded. The projects, currently underway, will apply state-of-the-art valuation methodologies to measure consumers' willingness to pay for reductions in food safety risks from microbial pathogens in foods.

Goal 3: The nation's population is healthy and well-nourished.

Objective 3.1: Enhanced understanding by policy makers, regulators, program managers, and organizations shaping public debate of the factors affecting food prices and of the efficiency and effectiveness of alternative public policies and programs aimed at ensuring consumers equitable access to wide varieties of high quality food at affordable prices.

Key Performance Goal

Provide timely and high quality analyses of economic issues affecting the nutrition and health of the U.S. population including factors related to food choices, consumption patterns at and away from home, food prices, food assistance programs, nutrition education, and food industry structure.

Percentage of published research that meets peer review standards

Target: 100

Actual: 100

Percentage of requested analyses delivered by deadline

Target: 90

Actual: 93

Year	Published Research Meets Peer Review Standards: Actual (Percentage)	Published Research Meets Peer Review Standards: Target (Percentage)	Requested Analyses Meet Deadline: Actual (Percentage)	Requested Analyses Meet Deadline: Target (Percentage)
1998	100%	n/a	69%	n/a
1999	100%	100%	100%	95%
2000	100%	100%	93%	90%

Analysis of Results: ERS met this performance goal. In addition to the above indicators, the following narrative provides complementary information on the issues addressed during the year, the relevance of the issues and substance of the work, the means by which the work was disseminated, and the way the work was used:

Benefits of Nutrition Labeling on Fresh Meat and Poultry Products. The Food Safety and Inspection Service (FSIS) has proposed requiring that nutrition information be provided for fresh meat and poultry products. ERS estimated that changes in consumer behavior in response to the nutrition information could lead to more healthful food choices, thereby reducing medical costs, productivity losses, and premature death from diet-related diseases, with benefits of as much as \$145 million per year. This research was provided to FSIS for inclusion in the *Federal Register* notice of the proposed rule.

The Decline in Food Stamp Program Participation in the 1990s. *The Decline in Food Stamp Program Participation in the 1990s*, which detailed ERS findings on the unprecedented decline in participation in the Food Stamp Program (FSP) from 27.5 million participants in 1994 to 18.2 million participants in 1999, was widely circulated and featured on the Food and Nutrition Service website. Similar findings from ERS-sponsored research were also presented in a panel organized by ERS at the Association for Public Policy and Management annual meetings. ERS also helped support a major literature review conducted by Mathematica Policy Research, Inc. to understand welfare reform's impact on FSP and Medicaid participation. In addition, ERS is collaborating with the U.S. Department of Health and Human Services and the Robert Wood Johnson Foundation in a \$6.8 million initiative to support technical assistance activities designed to help public officials diagnose and solve problems in Medicaid, the State Children's Health Insurance Program, and Food Stamp eligibility systems in up to 22 states or large counties.

Behavioral Nutrition and Obesity. The increasing prevalence of obesity in the U.S. has led to interest in better understanding the complex sets of behaviors that lead to obesity. ERS convened a roundtable that brought together experts from different fields (such as economics, social psychology, and medicine) to discuss approaches to understanding obesity-promoting consumer behavior. Because obesity is more prevalent among low-income populations, the Food Assistance and Nutrition Research Program (FANRP) established behavioral nutrition as a research priority in its competitive grants and cooperative agreement program. The roundtable and the FANRP research are providing information that assists USDA agencies and others in developing more effective nutrition education programs.

Food Stamp Program Employment and Training Program. In response to a congressional mandate in the Balanced Budget Act (BBA) of 1997, ERS published *Report to Congress on State Use of Funds to Increase Work Slots for Food Stamp Recipients*, which examined the response of States to a major increase in funding provided to them for the Food Stamp Employment and Training (E&T) Program. The E&T Program is aimed at creating work opportunities for able-bodied adults without dependents and was expanded as part of welfare reform. This completed report had four principal findings: the majority of States have changed the focus of their E&T program services to target able-bodied adults without dependents; total E&T program expenditures have increased, though States utilized less of their Federal grant allocations and more of State matching funds; participation in the E&T program dropped sharply after BBA, with variations among States and among E&T component types; and States reported many challenges in serving the targeted population and made specific recommendations for improving the program.

Nutrient Intake of Children. Although children aged 1 to 4 years old comprise about half of all participants in the Food and Nutrition Service (FNS) Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), few studies have examined the impact of the program on children. An ERS study, *WIC and the Nutrient Intake of Children*, helped fill this gap, finding that participation in the WIC program had a significant positive effect on children's intake of several nutrients, including iron. The finding regarding iron was especially useful, since low intake of iron, which may lead to anemia, is considered to be an important public health issue. FNS used the report as part of their regular program evaluation.

Food Security in U.S. Households. In 2000, ERS funded the sixth annual National Food Security Survey, conducted by the Census Bureau as a supplement to the Current Population Survey. The survey is designed to measure whether households always have access to enough food to meet basic needs. ERS also released *Household Food Insecurity in the United States, 1999*, a report on the prevalence of household food insecurity and hunger in the United States based on the previous year's food security survey. ERS collaborated with the Census Bureau to prepare and release public-use data files of the food security surveys for 1996, 1997, and 1998. In addition, ERS facilitated collection of critical data for studying effects of food assistance programs by supporting use of the food security survey module on several national and State surveys. ERS work on food security supports the Food and Nutrition Service in assessing its programs and, more generally, in assessing its success in achieving its objective of increasing food security in the United States.

Current Fiscal Year Performance: ERS expects successful performance on this goal to continue in FY 2001. Through the Food Assistance and Nutrition Research Program (FANRP), ERS is conducting studies and evaluations of the Nation's food assistance programs. FANRP research is designed to meet the critical information needs of USDA, Congress, program managers, policy officials, USDA program clients, the research community, and the public at large. FANRP research is conducted through internal research at ERS and through a portfolio of external research. Through partnerships with other agencies and organizations, FANRP is enhancing national surveys by adding a food assistance dimension. FANRP's long-term research themes are dietary and nutritional outcomes, food program targeting and delivery, and program dynamics and administration.

ERS is studying the relationships between and among the many factors that influence consumer decisions about food consumption. ERS researchers are developing an applied economic model of consumer

behavior to explain how the choices available to consumers and the constraints placed upon them affect dietary choices. ERS also is monitoring food insecurity and hunger in U.S. households and conducting research to refine and improve methods for measuring these conditions.

Goal 4: Agriculture and the environment are in harmony.

Objective 4.1: Enhanced understanding by policy makers, regulators, program managers, and those shaping public debate of the economic issues involved in balancing long term sustainability goals with improved agricultural competitiveness and economic growth and of the effects of Federal farm, natural resource, and rural policies and programs on that balance.

Key Performance Goal

Provide analyses of economic issues affecting agriculture's interface with the environment including those related to integrated pest management, sustainability, biodiversity, global change, and environmental accounting.

Percentage of published research that meets peer review standards

Target: 100

Actual: 100

Percentage of requested analyses delivered by deadline

Target: 90

Actual: 92

Year	Published Research Meets Peer Review Standards: Actual (Percentage)	Published Research Meets Peer Review Standards: Target (Percentage)	Requested Analyses Meet Deadline: Actual (Percentage)	Requested Analyses Meet Deadline: Target (Percentage)
1998	100%	n/a	88%	n/a
1999	100%	100%	85%	95%
2000	100%	100%	92%	90%

Analysis of Results: ERS met this performance goal. In addition to the above indicators, the following narrative provides complementary information on the issues addressed during the year, the relevance of the issues and substance of the work, the means by which the work was disseminated, and the way the work was used:

Agricultural Resources and Environmental Indicators. ERS published on the web the 2000 update of its popular monograph *Agricultural Resources and Environmental Indicators*. This report identified trends in land, water, and biological resources and commercial input use; reported on the condition of natural resources used in the agricultural sector; and described and assessed public policies that affect conservation and environmental quality in agriculture. Combining data and information, this report examined the complex connections between and among farming practices, conservation, and the environment, which are increasingly important components in U.S. agriculture and farm policy.

Adopting Genetically Engineered Crops. In 2000, *Genetically Engineered Crops for Pest Management in U.S. Agriculture* reported that adoption of genetically engineered (GE) crops with traits for pest management has risen dramatically since their commercial introduction in the mid-1990s. ERS staff presented estimates of the impacts of adopting GE crops on pesticide use at the Sixth International Symposium on the Biosafety of Genetically Modified Organisms in Canada. Further, ERS participated in a

National Academy of Science workshop, *Ecological Monitoring of Genetically Modified Crops*; discussing methods for monitoring changing farm practices related to GE crops. The workshop was part of a series of studies of the U.S. regulatory framework for GE crops initiated by USDA in response to concerns about the safety and environmental impact of the technology. These activities support the cross-cutting initiative on *Agricultural Biotechnology*.

Conservation Programs and Policy. In FY 2000, ERS was a member of an inter-agency USDA working group responsible for assessing producer offers to bid land into the Conservation Reserve Program (CRP). ERS analyzed incentives for producers to enroll land in the continuous signup, and was part of the team that reviewed all State Conservation Reserve Enhancement Program (CREP) proposals and recommended changes in incentive structures proposed. These analyses helped USDA improve the environmental performance of the CRP and related programs, while lowering their cost to U.S. taxpayers. ERS researchers were part of the interagency CREP Team awarded a National Partnership for Reinventing Government "Hammer" award in FY 2000. In addition, ERS economists briefed USDA officials on their analysis of the proposal for a Conservation Security Program, and participated in a number of forums convened by stakeholders in conservation policy.

Water Quality. ERS published its study, *Economics of Water Quality Protection from Nonpoint Sources: Theory and Practice*, examining how different policy instruments (economic incentives, standards, liability, education, and research) perform in providing pollution control at least cost, and what kinds of information are needed to improve the performance of nonpoint source pollution control policies. Users of this research include agricultural and environmental policymakers, and producers and the organizations that represent them.

Waste Management Issues. ERS worked with the Natural Resources Conservation Service and the National Agricultural Statistics Service to jointly develop USDA estimates of the number of farms that may need assistance with comprehensive nutrient management plans that include manure, and the number of animals on farms that may come under new EPA regulations. ERS interacted with Environmental Protection Agency economists responsible for estimating costs and benefits of the proposed rule changes for Concentrated Animal Feeding Operations under the USDA/EPA Unified National Strategy for Animal Feeding Operations. ERS is participating on a USDA inter-agency technical working group to conduct a Cost and Capability Assessment for implementation of the comprehensive nutrient management plans (CNMP) called for in the USDA/EPA Unified National Strategy. In an article in *Agricultural Outlook*, ERS summarized its current research findings regarding the extent to which confined animal feeding operations may pose manure management problems. These efforts support integrated assessments in the cross-cutting initiative on *Integrated Science for Ecosystem Challenges*.

U.S. Trade and Environment Initiatives. ERS and the Farm Foundation co-sponsored a workshop on the effect of environmental regulation on location decisions by firms in the food and agricultural sectors. The workshop examined measurement issues pertaining to inter-jurisdictional variation in environmental regulations, the degree to which these regulations are enforced, alternative modeling frameworks that can be used to measure location response, and data needs for testing the hypothesis that countries might be competing for agricultural businesses by curtailing environmental regulations.

Analysis of Inputs for Crop Production. In support of USDA and EPA implementation of the Montreal Protocol and the U.S. Clean Air Act, ERS coordinated analyses of the economic impacts of using alternatives to methyl bromide as use of that pesticide is phased out, and published a report, *Economic Implications of the Methyl Bromide Phaseout*. ERS supported the development of transition strategies for pesticide registration changes under the Food Quality Protection Act with ERS funds allocated to support pest research and control programs under the cross-cutting initiative on *Food Quality Protection Act and Integrated Pest Management and Related Programs*

Adoption of Organic Agriculture. On its new website (www.ers.usda.gov), ERS published the first set of estimates of crop acreage under certified organic farming systems in the U.S., *U.S. Organic*

Agriculture—Statistical Tables, 1992-97 and summarized the findings in an article in *Agricultural Outlook*.

Current Fiscal Year Performance: ERS expects continued success in achieving this goal during FY 2001. ERS is continuing to conduct research on economic and environmental issues associated with emerging biotechnology adoption, global climate change and agriculture, agricultural water quality and waste management, conservation and environmental programs, management of crop inputs, and interactions between trade and the environment. In addition, the Agency is collecting, analyzing, and reporting on trends in resource conditions and use, technology adoption, and productivity. ERS research and analysis in these areas supports numerous USDA programs. ERS also is examining the lessons from past conservation policies for the design of new conservation strategies for the new Farm Bill, and will be completing a monograph on the subject in the near future. ERS is part of a multi-institution team developing analyses for the next Farm Bill, involving Purdue, University of Tennessee and other USDA economists.

Goal 5: Enhanced economic opportunity and quality of life for rural Americans.

Objective 5.1: Enhanced understanding by policy makers, regulators, program managers, and organizations shaping public debate of economic issues affecting rural development and performance of all sizes of American farms.

Key Performance Goal

Provide timely and high quality economic analyses that identify (1) how investments in rural people, businesses, and communities affect rural economies' capacity to survive and prosper in the global marketplace and (2) what policies and programs keep American farms of all sizes viable.

Percentage of published research that meets peer review standards

Target: 100

Actual: 100

Percentage of requested analyses delivered by deadline

Target: 90

Actual: 93

Year	Published Research Meets Peer Review Standards: Actual (Percentage)	Published Research Meets Peer Review Standards: Target (Percentage)	Requested Analyses Meet Deadline: Actual (Percentage)	Requested Analyses Meet Deadline: Target (Percentage)
1998	100%	n/a	81%	n/a
1999	100%	100%	88%	95%
2000	100%	100%	93%	90%

Analysis of Results: ERS met this performance goal. In addition to the above indicators, the following narrative provides complementary information on the issues addressed during the year, the relevance of the issues and substance of the work, the means by which the work was disseminated, and the way the work was used:

Successful Small Farms. During FY 2000, ERS made substantial contributions to the policy discussion regarding small farms and other structural issues, summarizing its findings on what makes a small farm successful in an article in *Agricultural Outlook*. ERS has presented its findings in a variety of forums,

including the National Black Farmers Association Conference, Agricultural Research Service National Outreach Workshop, the American Agricultural Economics Association Meetings, and the National Public Policy Education Conference.

Rural Dimensions of Welfare Reform. In May of 2000, ERS, the Joint Center for Poverty Research (JCPR), and the Rural Policy Research Institute (RUPRI) organized a research conference on the effects of welfare reform on rural people and places. The conference offered the first comprehensive comparison of rural and urban impacts of welfare reform. In June, findings from the conference were presented at a research briefing for congressional staff, sponsored by RUPRI and JCPR, and funded by the Farm Foundation. W.E. Upjohn Institute will publish the conference findings in 2001.

Rural Low-Wage Workers. The December 2000 issue of *Rural Conditions and Trends*, with a special emphasis on changing supply and demand of low-wage workers, reported that, although recent favorable economic performance benefitted many rural people, it did not benefit all rural people and areas equally. Recent rural development policy initiatives, such as the New Markets Program, are intended to jumpstart growth in many of the distressed rural areas. At the same time, rural areas face new challenges as welfare reform gradually moves a new set of workers into the low-wage labor force. This multi-faceted study provided a better understanding of the economic and social context in which these new policies will operate, identified the people and places most in need of assistance, and highlighted both the possibilities and limitations of Federal efforts to improve economic well-being for rural residents.

Housing for Rural Minorities. ERS has conducted a series of studies to help identify factors related to housing availability, affordability, and adequacy for rural minorities and to assess the use and effectiveness of Federal housing assistance programs in rural areas to help these target groups. Study findings were reported in *Meeting the Housing Needs of Rural Residents* and several issues of *Rural America*. At the request of USDA's Rural Housing Service (RHS), ERS collected national survey data on the USDA Single Family Direct Loan Housing Program. Study results were provided to RHS to help assess the use and effectiveness of their program for reaching targeted populations in need.

Agriculture's Role in the Rural Economy. The Rural Industry issue of *Rural Conditions and Trends* reported on how nonfarm growth and structural change are altering agriculture's role in the rural economy. A follow-up article in *Agricultural Outlook* concluded that Government farm payments play a minor role in the rural economy—a role outweighed by the Federal Government's payments for income security and health care. This research was widely reported in the farm media, and is the main source of information on this topic. This information is being used by policymakers, farm groups, and bankers. Another report, *Tobacco and the Economy: Farms, Jobs and Communities*, provided a wealth of information on how a specific commodity and its forward-linked industries affect the rural economy. The President's Commission on Tobacco-Dependent Communities relied heavily on this report in preparing its own report.

Effects of Federal Tax Policy on Agriculture. ERS completed a review of the effects of Federal tax policies on agriculture, including the effects of various tax proposals to aid beginning farmers. The study, conducted in response to a recommendation of the National Commission on Small Farms, adapted the farm typology developed by ERS to differentiate impacts on several types of small farms using Internal Revenue Service tax data. A separate series of reports, starting with *Regionalism, Federalism, and Taxation: A Food and Farm Perspective*, focused on the differential impacts of State and Federal taxes on various segments of the food and fiber system.

Agricultural Credit When Farm Commodity Prices Are Low. The annual "Lenders Issue" of *Agricultural Income and Finance* documented the strong position of agricultural lenders going into 2000 and described their cautious approach to agricultural lending. But it also pointed out that lenders were confident about the repayment capacity of the vast majority of their farm borrowers. A series of articles and papers examined the role USDA's credit programs play in assisting less creditworthy borrowers, particularly small, beginning, and disadvantaged farmers. This research highlighted the importance of commercial banks

and other lenders in delivering USDA's credit assistance and was widely cited during Congressional hearings on Federal regulation of the Farm Credit System.

Federal Spending in Rural America. Using data from the Bureau of the Census, ERS analyzed the geographic distribution of Federal spending, with an emphasis on programs important for rural development. The January 2000 issue of *Rural America* analyzed Federal spending in the Black Belt, a high-poverty region in the South with high percentages of Black residents. An additional analysis focused on Federal spending in the South. The May 2000 issue of *Rural Conditions and Trends* highlighted changes in Federal programs of importance to rural America. This project supplied information to various policymaking institutions, including the Organization for Economic Cooperation and Development, the General Accounting Office for its study of Rural Housing (September 2000), and the Rural Development mission area.

The Digital Divide. With the increasing importance of the Internet and advanced telecommunications services for conducting public, private, and personal business, concern is growing over access to these services. *Telecommunications in Rural Economic Development* reported on the proceedings of an ERS-sponsored workshop that explored rural access to advanced telecommunications facilities and the importance of these facilities for rural development. The October 1999 issue of *Rural Development Perspectives* examined strategic planning for rural telecommunications, telemedicine in rural communities, and access to telecommunications by those with disabilities. A series of conference papers explored differences in telecommunications policies in the U.S. and Europe, highlighting racial and urban-rural disparities in Internet use. ERS efforts to assess the impacts of the Digital Divide are used by USDA's Rural Utilities Service in carrying out their responsibilities for providing financing for affordable telecommunications and telemedicine services in rural America.

Current Fiscal Year Performance: Progress on achieving Goal 5 is continuing in FY 2001. ERS is monitoring changing economic and demographic trends in rural America, with particular attention to the implications of these changes for the employment, education, income, and housing patterns of low-income rural populations. An ERS study currently underway will identify and analyze factors affecting growth in remote rural areas. This study is part of a multi-county international project conducted under the auspices of the Organization for Economic Development and Cooperation. Other studies will investigate the effects of various policy scenarios, including increases in the minimum wage and the Earned Income Tax Credit, on the poverty and employment status of rural welfare recipients. The Agency is conducting research on the effectiveness of Federal programs aimed at aiding rural residents, farm operators, and rural communities. Researchers are also examining Federal credit and tax policies to assess their impact on the intergenerational transfer of farm assets. Also, researchers are assessing the impact of structural and policy changes on the cost and availability of electric, telecommunications, and financial service in rural America.

2000 Data: The FY 2000 data are final for all the indicators under each goal.

The first indicator is aimed at assessing the quality of ERS research and analysis, using review by others with expertise in the appropriate disciplinary or issue area as a standard. It indicates whether or not the agency met its goal of only releasing publications after they have met the standards of peer review. There is a continuum of review requirements, from the most limited review, which requires three peer reviewers, one of whom must be external to the author's branch, to the most extensive review, in which there are three or more reviewers, at least two of whom are external to ERS. The peer review process is managed, monitored, and tracked by Product Coordinators in each of ERS's three program divisions. As a result, the data on quality, as measured by peer review, are sound and dependable.

The second indicator reflects ERS timeliness in responding to requests from decision makers for specific analyses of issues or problems. Most of these deadlines are internally set. The standard used for measurement was that the analysis was provided to the customer within one day of the original deadline. The timeliness data are also dependable. The ERS Staff Analysis Coordinator maintains records of all

external requests for ERS analysis, including information on the date received, the deadline set by the agency, and the date actually completed.

The two indicators used throughout this report, while providing useful insight into the timeliness and quality of ERS's work, do not adequately capture evidence of the Agency's success in achieving its over-arching objective of enhancing understanding by policymakers and others of the economic issues involved in each goal. To fill the gap, narratives outlining ERS contributions to meeting the needs of decisionmakers on the issue areas underlying each goal are included in this report.

Description of Actions and Schedules: In FY 2001, ERS will continue to work toward improving its indicators for assessing success in achieving its mission and meeting its goals. As a social science research agency, it faces challenges in evaluating its impacts on actual outcomes. Although economic research and information may be considered by decision makers, their final decisions may not be based solely on economic information. It is ERS's role—as reflected in the language of its goals and objectives—to ensure that it produces accurate, thorough information on the issues of importance to its customers when they need it and in a form and format they can use.

As part of its efforts to better evaluate success in achieving its goals, in FY 2000, ERS developed and implemented the Program Information Management System (PIMS). PIMS is a web-based system for searching, managing and relaying up-to-date information about the content and status of ERS research and analysis, products and services, and professional activities. PIMS will increase ERS's capacity to compile and communicate agency-wide information—for example, the contributions to achieving a particular goal or assisting a particular program agency of the Department of Agriculture. The system will also allow managers and researchers to access information to better plan the ERS program and portfolio of products and services; more effectively convey these products and services to key customers; and more systematically evaluate and track output by REE goal, customer, topic, division, branch, and individual. While PIMS is now operational, continuing improvement will make it an increasingly useful tool over time. PIMS will interface with the Current Research Information System (CRIS), aiding in streamlining and improving the quality of ERS CRIS reporting. These improvements, in turn, will enhance the quality of reporting possible from the USDA Research, Education, and Economics Information System (REEIS) currently under development

Program Evaluations:

In FY 1999, the National Research Council of the National Academy of Science completed a major review of the ERS program. In FY 2000, ERS did not conduct performance evaluations of that breadth and depth, but undertook a more narrowly focused review of part of its program, with an aim of exploring better means of understanding of how customers view the ERS program and of the customers' needs:

Commodity Roundtables. ERS established quarterly meetings with commodity groups and over the course of the year expanded them to include a wider spectrum of customers to provide feedback on the ERS market analysis and outlook program. Issues covered included the influence of biotechnology on the marketing and trade of agricultural products, prospects for further trade reform under the World Trade Organization and implications for U.S. agriculture, and the implications of changing structure and performance in selected food and agricultural markets. Participants indicated that the Roundtables have given them a clearer understanding of the breadth of the ERS research analysis relevant to current and emerging commodity issues. In addition, Roundtable participants served as "sounding boards" for the new ERS web-based outlook information access and dissemination system. During the development phase over the course of the year, they provided feedback and advice that was heeded as final decisions were made on content and presentation. The Commodity Roundtables will provide an ongoing forum for review and discussion of the ERS market analysis and outlook program.

Management Initiatives:

In general, ERS administrative support is performed with ERS resources by the REE mission area's Administrative and Financial Management (AFM) staff in the Agricultural Research Service. ERS cooperates with the AFM staff to ensure that USDA financial management requirements relating to internal control, cost accounting, and audited financial statements are completed. ERS does not have any GAO/OIG-identified management challenges or high risk areas. ERS does have responsibility for its own non-administrative management issues, including civil rights.

Management Initiative 1: Exert dynamic civil rights leadership in support of an organizational culture based upon the fundamental values of fairness and respect.

Performance Goals

ERS efforts contribute to increasing the diversity of the discipline of agricultural economics, ultimately leading to progress in increasing the diversity of the 110 Economist series in ERS.

A diverse group of students is recruited and selected for the summer intern program.

Target: Yes

Actual: Yes

Composition of summer intern group

African American: 37.5% Asian: 12.5% Hispanic: 4.2% White: 45.8%

Female: 54% Male: 46%

ERS employees and managers use a variety of Alternative Dispute Resolution resources to address and resolve workplace disputes.

Early intervention and/or mediation are offered to EEO complainants.

Target: Yes

Actual: Yes

Establish and maintain REE EEO alternative dispute resolution program.

Target: Yes

Actual: Yes

Publicize REE Cooperative Resolution Program.

Target: Yes

Actual: Yes

ERS managers receive conflict resolution training.

Target: Yes

Actual: Yes

ERS staff take advantage of opportunities to increase their skills and contribute to the mission of the agency and a more advanced level.

ERS management commits funds for short- and long-term training

Target: 1% of salary funds

Actual: 1.3% of salary funds

Staff in career enhancement positions progress toward target series and grades.

Target: 8 career enhancement positions

Actual: 9 individuals have reached or are progressing toward targeted position and grade

Analysis of Results: ERS met its goals as measured in each of the indicators. Achieving the first goal is the most complex. Because of the traditionally homogenous demographics of the agricultural economics discipline, ERS has adopted a long-range strategy of increasing the diversity of the main component of its workforce, those in the economist series. ERS's aim is to increase the size of the pool of minorities who have the kinds of qualifications needed for ERS economic research positions--Ph.D.'s or equivalent

research experience. National Research Council data for 1999 show that only six African Americans, six Asians, no American Indians, and one Hispanic American received Ph.D.'s in agricultural economics that year. Given these statistics, traditional approaches to hiring are not very effective. ERS's approach has been to try to increase the number of minority students majoring and going to graduate school in agricultural economics and economics. Increasingly, the agency is maintaining long-term relationships with minority students who start as summer interns and are working toward Ph.D.'s.

FY 2000 Data: The data are final for each performance goal under the Management Initiative.

Additional Management Initiative in FY 2000: Although not outlined in the FY 2000 performance plan, ERS did undertake an additional major management initiative in FY 2000. The Administrator formed a Management Advisory Committee, composed of the agency's senior management, to assess and re-tool ERS capability for producing and disseminating research output. The ultimate goal was transformation of the ways ERS serves its customers, moving from the traditional focus on hard copy publications as a dissemination tool to electronic output that could be disseminated through different media and formats. The outcomes of this effort, composed of four central projects, are, as planned, resulting in a sharply different approach to the agency's communication and dissemination responsibilities, including:

- Recognition of the high priority—equal to the priority for developing high quality social science information and research—ERS must place on its responsibility for effective dissemination of its work;
- Development of a new website that establishes ERS as a premier provider of real-time, real-value economic analysis to its primary customers via the World Wide Web;
- Initiation and significant progress on an integrated information system that will capture agency output and ERS contributions to the decision making process;
- Initiation of a customer management system to support targeted and timely dissemination of ERS information to customers and to assess the agency's effectiveness in meeting that goal.

NATIONAL AGRICULTURAL STATISTICS SERVICE FY 2000 ANNUAL PERFORMANCE REPORT

Introduction

This FY 2000 Annual Performance Report (APR) is presented by the National Agricultural Statistics Service (NASS) in accordance with Government Performance and Results Act (GPRA) requirements. This report is part of the United States Department of Agriculture's (USDA's) FY 2000 Department-wide Annual Performance Report. The Agency updated and finalized its long range strategic plans for FY 2000-2005 in September 2000 in coordination with the USDA Strategic Plan and the Research, Education, and Economics (REE) mission area goals. NASS is one of four agencies in the REE mission area. The FY 2000 APR reflects the NASS 1997-2002 Strategic Plan goals and objectives. The NASS management initiatives included in the FY 2000 APP have been discontinued and replaced with new management performance goals and objectives. Only Federal employees were involved in the preparation of this report.

Background

NASS provides the basic agricultural and rural data needs for the people of the United States, those working in agriculture, and those living in rural communities by objectively providing important, usable, and accurate statistical information and services needed to make informed decisions. NASS's statistics keep those involved with America's biggest industry well-informed, provide the basic information necessary to keep agricultural markets stable and efficient, and help maintain a level playing field for all users of agricultural statistics. USDA published its first crop report in 1863, and further strengthened this responsibility in 1905 by creating the Crop Reporting Board now the Agricultural Statistics Board. NASS is the primary statistical agency in the Department whose mission is to provide timely, accurate, and useful statistics in service to U. S. agriculture. These responsibilities were authorized in the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627). NASS is responsible for conducting the census of agriculture program that provides comprehensive information about the Nation's agriculture every 5 years. NASS's responsibility to conduct the census of agriculture is authorized under Public Law 105-113, the Census of Agriculture Act of 1997 (Title 7 U.S.C. 2204g). Internally, the statistics are used across the Department and are provided to other agencies in their analyses of programs, policy development, etc., as well as, use in their annual performance measures.

NASS's current official statistics program and the census of agriculture program are complemented by its statistical research and service program. This component works to improve statistical survey methods and to test advanced technology for timely and cost efficient production of high quality agricultural statistics.

GOAL 1: THROUGH RESEARCH AND EDUCATION, EMPOWER THE AGRICULTURAL SYSTEM WITH KNOWLEDGE THAT WILL IMPROVE COMPETITIVENESS IN DOMESTIC PRODUCTION, PROCESSING AND MARKETING.

Producers and other data users need objective, reliable, and timely data to make informed production and marketing decisions. Production agriculture measured as fully and as accurately as possible permits each commodity sector to determine supplies and competitive prices for world marketing of U.S. agricultural products. Official statistics promote a level playing field in production agriculture with impartial information available to all at a predetermined and publicized date and time.

Objective 1.1: Describe U.S. agriculture as fully as possible, providing timely and accurate agricultural statistics that are used throughout the agricultural sector to evaluate supplies and determine competitive prices for world marketing of U.S. commodities.

Objective 1.2: Promote a level playing field in production agriculture with impartial statistics available to all at a predetermined and publicized date and time.

NASS is the primary agricultural statistics agency in USDA. Annually, NASS publishes over 400 national reports, covering over 120 crop and 45 livestock items, complemented by over 8,000 additional State reports. These basic and unbiased data are critical to maintain an orderly association between the consumption, supply, marketing, and input sectors of agriculture. Official USDA national, State, and county estimates are issued annually relating to number of farms and land in farms; acreage, yield, production, and stocks of grains; production of hay, oilseeds, cotton, potatoes, tobacco, fruits, vegetables, floriculture, and selected specialty crops; inventories and production of hogs, cattle, sheep and wool, goats and mohair, mink, catfish, trout, poultry, eggs, and dairy products; prices received by farmers for products, prices paid for commodities and services, and related indexes; cold storage inventories; agricultural chemical use; and other related items that affect the agricultural economy. Additionally, estimates relating to nursery and greenhouse production, agricultural chemical use, postharvest chemical use are provided on a periodic basis. Every five years NASS conducts the census of agriculture which expands program coverage to include rare specialty commodities, equine, and numerous demographic data series. Consequently, annual performance targets for coverage are 100 percent in census years and fluctuate in the interim years. Annual performance goals, targets, and actuals are summarized in the following table:

Annual Performance Goals and Indicators	FY 1999 Actual	FY 2000 Target	FY 2000 Actual
Provide timely and impartial agricultural statistics for use by all market participants which promote an economically viable and competitive agricultural production system.			
• Percent of NASS reports that are complete, meet scheduled release dates, and contain no data errors.	99.0% ¹	99.0%	99.8%
• Percent of total national agricultural production included in the NASS annual statistics program.	91%	95%	n/a ²
• Percent of data users who rate NASS data as important or essential to the orderly marketing of agricultural products.	n/a	90%	n/a ³
• The NASS annual report release calendar is published and distributed prior to the start of each year.	yes	yes	yes

¹Revised APR data – 1996-99 data was incorrectly reported. ² Data is not available until July 2001.

³ Performance indicators for evaluating data users ratings are being discontinued but will be replaced with information from the American Customer Satisfaction Survey.

Table 1: Annual Performance Goals and Indicators for Reports and Releases

Charts and Tables: NASS sets annual performance targets for completeness, timeliness, and accuracy of the reports. The FY 2000 actual performance for reports and releases surpassed the FY 2000 target. NASS statistical program coverage target for the 2000 calendar year was 95 percent. Cash receipts data for 1999 for the commodities covered in the 2000 program indicate the 2000 target will be reached, however it is not known at this time.

Year	No. of NASS Reports and Releases	No. of reports released on time	Percent	No. of reports without corrected erratas	Percent	No. of reports released on time and without issuing erratas	Percent	Target
1996	384 ¹	384 ¹	100%	380 ¹	99%	380 ¹	99%	
1997	369 ¹	369 ¹	100%	367 ¹	99.5%	367 ¹	99.5%	
1998	425 ¹	425 ¹	100%	425 ¹	100%	425 ¹	100%	
1999	419 ¹	418 ¹	99.8%	416 ¹	99.3%	415 ¹	99%	
2000	425	424	99.8%	425	100%	424	99.8%	99%

¹ Revised APR data – 1996-99 data was incorrectly reported.

Table 2: NASS Reports and Releases

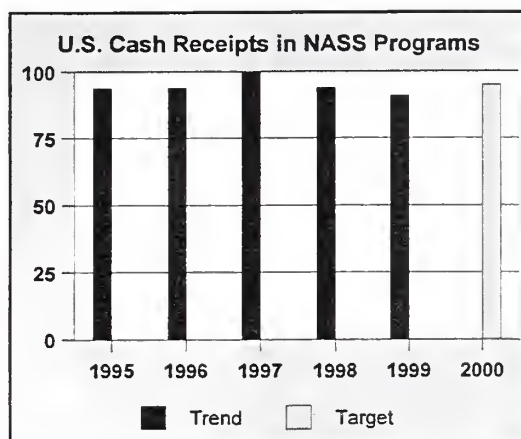


Chart 1: Percent of U.S. Cash Receipts in NASS Statistical Programs

Year	Estimated Total U.S. Cash Receipts (Mil. Dollars)	Total U.S. Cash Receipts in NASS Statistical Programs (Mil. Dollars)	Percent	Target
1995	188,055	176,080	94%	
1996	199,138	186,287	94%	
1997	207,611	207,443	100% ¹	
1998	196,761	184,485	94%	
1999	188,610	171,377	91%	
2000	n/a	n/a	n/a ²	95%

¹ Census of Agriculture provides complete coverage.

² Data not available until July 2001.

Table 3: U.S. Cash Receipts in NASS Statistical Programs

2000 Data: The performance data for assessing reports and releases are information published in the Agricultural Statistics Board (ASB) calendar and on Agency information maintained internally in Headquarters offices in Washington, D.C. by the Marketing and Information Services Office (MISO). It is maintained and reviewed for consistency, completeness, and accuracy. Revisions to the previous years APR data are indicated in each figure. The USDA Economic Research Service (ERS) is the source of the data for calculating NASS statistics program coverage. Farm cash receipts for 2000 are not available until July 2001. There were no viable customer service data available to accurately report the percent of data users who rate NASS data as important or essential to the orderly marketing of agricultural products.

Analysis of Results: NASS met its performance goal in providing timely and impartial agricultural statistics on time and error free. In general, the number of reports and information released by NASS continues to grow in order to meet the ever-growing demands and challenges associated with data users and the public's need for more and better information. The number of reports issued annually over the last three years has grown when compared to 1997, while overall annual appropriated budgets to support increases have been limited. A brief analysis is provided for each of the indicators for this performance goal:

- **Reports and Releases:** Of the 425 scheduled releases on the ASB calendar, 424 releases, or 99.8 percent of reports, were released on-time and error-free for January through December 2000. Only the *Vegetables - 1999 Annual Summary* was delayed on January 14, 2000, to January 28, 2000, at 3 p.m. ET. A news release was issued on January 13, 2000, informing the public of the delay and rescheduled release date. The later release of the annual vegetable report had no impact on the commodity market.

Furthermore, there were no erratas published in 2000. Report errors determined to be "market sensitive" are corrected with publication of an official errata notice. Cosmetic and non-data errors or "non-market sensitive errors" are tracked, documented, and corrected, but an official errata is not published for those reports and they are not included in the 2000 performance data. Revisions to preliminary data series or forecasts are part of the Agency's standard operating procedures and are not considered as errors.

- **Annual Statistics Program Coverage:** Chart 1 shows there were no results for 2000 and the performance data will not be available until July 2001. NASS statistical program coverage is based on cash receipt estimates published by ERS. Cash receipts provide a standard unit for collapsing and comparing livestock and crop production. Commodities not covered by NASS are estimated using economic models or external data sources to achieve completeness.

As Chart 1 and Table 3 indicate, NASS program coverage expands to 100 percent during census years, as seen with the 1997 Census of Agriculture. The 1997 Census of Agriculture was the first census conducted by NASS. The census allows for open-ended reporting of all commodities produced, thus providing a vehicle for obtaining data on rarer items. Estimates of commodity coverage do not reflect numerous data series relating to economic, environmental, and demographic subjects. Data and calculations for evaluating the 1999 statistical program coverage was available in August 2000. For crops in 1999, the following were not in the program: jojoba, kale, collards, chili peppers, radishes, squash, other miscellaneous vegetables, pumpkins, other berries, other miscellaneous fruits and nuts, bentgrass, bluegrass, crimson clover, fescue, orchardgrass, red clover, ryegrass, sorghum-sudan crosses, other seeds, other field crops, forest products, other greenhouse. (Note: Other greenhouse was part of the 1998 program because of the special study on horticulture, but nothing was done with the 1999 year.) Also, the following are being added for 2000: kale,

collards, chili peppers, squash, pumpkins, and other greenhouse. For livestock in 1999, the following were not in the program: crawfish, other aquaculture, and other livestock. (Note: Horses and mules were covered in 1999, but not in 2000; crawfish and other aquaculture were part of the 1998 special study, but not covered in 1999.)

Based on historical data, NASS estimates 95 percent of the total national production to be covered by the NASS statistical program for 2000. This jumps from 91 percent in 1999 to 95 percent in 2000 with greenhouse and nursery crops included in 2000. The final program coverage calculations for 2000 are not available until July 2001 and will be updated in the FY 2001 APR. The target level for the annual program coverage calculations will never coincide with the APR reports and will always be a year behind.

- **Data User Ratings:** Information provided by data users at the Data User Meeting in Chicago on October 18-19, 1999, covered a wide variety of commodity and statistical data issues. Questionnaires are distributed at these meetings, but very little numerical information was provided by the data users on customer satisfaction. The incompleteness of the information makes any method of numerical calculations impractical because they would not be representative of NASS's wide spectrum of data users. As footnoted in Table 1, the performance indicators for evaluating data users ratings are being discontinued and will be replaced with information generated from the results of the American Customer Satisfaction Survey. Future agency plans for customer satisfaction surveys are explained in the Descriptions of Plans and Schedule and Current Fiscal Year Performance for this goal.
- **Agricultural Statistics Board (ASB) Calendar:** The performance indicator was met with the publication and distribution of the ASB calendar in the fall of 1999. This annual publication lists release dates for all NASS national statistical reports, covering over 120 crops and 45 livestock items. The calendar is published and released from NASS Headquarters in Washington, D. C.

Description of Plans and Schedules: Performance measures established in the FY 2000 APP for evaluating data user ratings and satisfaction with NASS data products and services were changed and will be replaced by the American Customer Satisfaction Survey. The survey was conducted in September-October 2000 and the results of the survey were released to the public in December 2000. This was NASS's first-ever numerical measurement of customer satisfaction based on the American Customer Satisfaction Index (ACSI) which measures the Agency's performance regarding customer service and products. NASS's score was 72, comparable with the private sector score of 72.1, and 3.5 points higher than the 1999 Federal government index of 68.6. The use of this survey is now being widely used in government and private industry for establishing baselines and comparing levels of service provided among organizations. The ACSI and index components have now been incorporated into the most recent FY 2001 and 2002 APP plans and will serve as the standard for the future.

Current Fiscal Year Performance:

- **Reports and Releases:** NASS continues its efforts to sustain a 99 percent target level of on-time and error-free reports through continuous staff training and use of computer equipment and technology. NASS published the first U.S. estimates of the percent of acres planted with genetically modified herbicide resistant, insect resistant, and stacked gene seed varieties for corn, soybeans, and cotton in 2000. These estimates were published at the national level and each of the 11 major corn producing States, 14 major soybean producing States, and seven major cotton producing States. These estimates will also be provided during 2001 in the March *Prospective Plantings* and June *Acreage* reports.

A new Monthly Hog Survey will collect information on the size of the breeding herd, sows and gilts mated the prior month, sows farrowed, pigs per litter, and pig crop. This monthly information is published on the last Friday of each month beginning with the December 2000 *Hogs and Pigs* report.

The December *Hogs and Pigs* report and the January *Cattle* report now have additional breakouts for larger size operations at the U.S. level for statistics on number of operations and size of herd. The July *Cattle* report now includes information for the 11 largest cattle States in addition to the United States. Information published for the 11 States are the total inventory of cattle and calves, all cows, beef cows, milk cows, and calf crop. A new question on the number of beef and milk replacement heifers expected to calve during the year was added to the January Cattle Survey and the U.S. estimate was published in the January 2001 *Cattle* report. Also, information on feeder cattle grazing on small grains as of January 1 in Kansas, Oklahoma, and Texas was published in the January 2001 *Cattle* Report. Finally, the January 2001 Cattle Survey includes questions concerning losses of cattle to predators, which NASS will publish in the *Cattle Predator Loss* report in the spring of 2001. County estimates will now be available each year for total cattle, beef cows, and milk cows for all States accounting for 1 percent or more of the Nation's total for these classes. Cattle county estimates will be available in the spring of each year. The February *Milk Production* report now provides the percent of U.S. production by size of operations. NASS began posting the monthly *Canadian Cattle on Feed* and quarterly *Canadian Hog* reports to the NASS website.

Detailed information for chicken and turkey parts (e.g., breasts and legs) was added to the monthly *Cold*

Storage report in 2001. Previously, these data are only published as "other chicken" and "other turkey."

- **Annual Statistics Program Coverage:** Cash receipt data for the 2000 statistical program coverage evaluation will be made available by ERS in July 2001. NASS continuously strives to increase program coverage, but expansion of program coverage is limited by budget resources each fiscal year.
- **Data User Ratings:** Annual Data User Meetings were held at the beginning of FY 2001. The first meeting was held in Washington, D.C., on October 10, 2000, to discuss a host of chemical use, food safety, and environmental issues. A second data user meeting was held in Chicago, IL., October 16, 2000, with commodity and agricultural industry representatives to discuss crop and livestock program issues. NASS anticipates continuing these annual data users meetings to discuss customer data needs and service, and to seek their advice on current and emerging issues.

The Federal Consulting Group presented the results of the American Customer Satisfaction Survey to NASS in December 2000. The ACSI will provide a benchmark for NASS in FY 2001 to assess agency processes and program solutions. NASS also intends to use the ACSI for assessing implementation of future quality initiatives. The ACSI index and its components are included in the Revised FY 2001 and FY 2002 APP.

- **Agricultural Statistics Board (ASB) Calendar:** The ASB calendar was published and distributed to the public in the fall of 2000. The 2001 monthly *Crop Production* reports will be released, on average, about the 10th rather than the 11th of the month and fewer *Crop Production* reports will be released on Fridays. Beginning in January 2001, a press release on NASS Statistical Program Monthly Highlights are issued on or about the first of each month. This will inform data users and keep the public up-to-date on forthcoming changes in the reports released during the coming month.

Program Evaluations: A technical program evaluation of the Cold Storage Program was completed in FY 2000. The initial reason for the Cold Storage Technical Review was the cold storage data series was thought to be deteriorating due to the quality of the list (missing plants) and poor response rates. Since the formation of a Technical Review Team (TRT), SSOs and Headquarters have worked on improving the list and response rates through various ways, including visiting refusals and giving plants the option to report electronically. When the TRT began its review, there were no plants reporting data electronically. Currently, NASS receives monthly electronic data for 125 of 800 cold storage facilities (16 percent). Collecting data this way has eliminated the need to make 50 individual contacts (50 plants were reporting data for 125 locations). Data collected electronically represent about 60 percent of the cold storage data being reported. With continued efforts to improve the list and response rates, the Poultry and Specialty Commodities Section agrees that the NASS Cold Storage program should be continued. While the report may need to be modified, it is still a viable, necessary, and useful data series.

GOAL 2: ENSURE AN ADEQUATE FOOD AND FIBER SUPPLY AND PROMOTE FOOD SAFETY THROUGH IMPROVED DETECTION, SURVEILLANCE, PREVENTION, AND EDUCATION.

Essential pest management practices data are provided for analyzing policy and program consequences for producers and consumers. Comprehensive analyses of farmer practices are made possible by measures of strategies used by growers as alternatives to chemical use. In addition, under the Department of Health and Human Services/USDA joint initiative to Ensure the Safety of Imported and Domestic Fruits and Vegetables, NASS is responsible for the collection of food safety information for fruits and vegetables.

Objective 2.1: Provide meaningful statistical projections that enable the producers and the marketing channels to minimize economic risk and provide food security for consumers.

Objective 2.2: Provide important data on pre- and post-harvest chemical applications for informed evaluations of risk potential associated with using or discontinuing chemicals relative to both food safety and food security.

NASS will provide needed data on pest management strategies used by producers and make meaningful data readily available to all who need this data for business and policy decisions. This program will also establish a baseline of agricultural practices related to the potential for microbial contamination of fresh fruits and vegetables.

Annual Performance Goals and Indicators	FY 1999 Actual	FY 2000 Target	FY 2000 Actual
Provide important data on pre- and post-harvest chemical applications for informed evaluations of risk potential associated with using or discontinuing chemicals relative to both food safety and food security.			
<ul style="list-style-type: none"> • Provide survey data showing percentage of U.S. farmland employing integrated pest management practices. • Number of fruit and vegetable growers and packing houses surveyed regarding agricultural practices related to food safety issues. 	yes n/a	yes 10,000	yes 14,028

Table 4: Annual Performance Goals and Indicators for Integrated Pest Management and Agricultural Practices

2000 Data: The data in Table 4 is based on information residing in the Agency's statistical information system managed and maintained by various Headquarters staffs in the Environmental, Economic, and Demographics Branch; Census and Survey Division; and the Information Technology Division. Sampling information and survey response rates are available by State and summarized at the national level and are reviewed for consistency, completeness, and accuracy.

Analysis of Results: NASS met its performance goal with release of *Pest Management Practices - 2000* and by conducting the *1999 Fruit and Vegetable Agricultural Practices* survey. Similar publications are planned for 2001. A brief analysis is provided for each of the indicators for this performance goal:

- **Integrated Pest Management (IPM):** Survey data for *Pest Management Practices* were based on a probability area frame with a sample of 6,840 segments or parcels of land across the United States. Estimates of the percent of farms and/or acres using a specific practice (pest management or agricultural) are calculated using sample area frame weights. The reliability of these calculated values are then reviewed prior to final estimates being published.
- **Food Safety:** Survey data for *1999 Fruit and Vegetable Agricultural Practices* conducted in early 2000 were based on a list sample of approximately 17,989 fresh fruit and vegetable producers and packers. Of the total 17,989 operations selected in the sample, NASS was able to conduct interviews with 14,028 operations for the agricultural practices survey, with 22 percent of the original sample being refusals or inaccessible. Of the 14,028 interviews conducted, 9,706 were completed good reports; 2,760 operations did not have the crop being surveyed, and 1,562 operations were screened out and did not meet the criteria for the survey. Data analysis continues with plans for a April 2001 publication.

Current Fiscal Year Performance:

- **Integrated Pest Management (IPM):** Since 1997, NASS conducted Fall Area Surveys with a focus on measuring farmer participation in IPM practices. Although the Fall Area Survey no longer exists, NASS has sampled the same area tracts for one final year to fulfill project obligations to assist in measurement of the USDA policy goal of "75 percent of the Nation's farmland" under an IPM program by the year 2000. Plans are to integrate key pest management questions into existing survey instruments for chemical usage and continue to collect the same pest management practices information. Results from the 2000 IPM Survey will be released on May 30, 2001. NASS is a member of USDA's IPM subcommittee which provides immediate feedback on related pest management programs.
- **Food Safety:** The 1999 Fruit and Vegetable Agricultural Practices survey was conducted in early 2000 and data analysis continues with plans for a April 2001 publication. This survey is designed to establish a baseline of agricultural practices related to the potential for microbial contamination of fresh fruits and vegetables. Beyond 2000, key food safety issues will be addressed based on the needs of the data user community. Development of the Agricultural Practices Study occurred with direct input of Food and Drug Administration officials, USDA representatives, and industry leaders. Input for these program areas was provided during a NASS Environmental Data User's meeting held in October 2000.

Program Evaluations: No official evaluations were conducted.

GOAL 3: FOSTER A HEALTHY AND WELL-NOURISHED POPULATION HAVING THE KNOWLEDGE, DESIRE, AND MEANS TO MAKE HEALTH-PROMOTING CHOICES.

Objective 3.1: Provide statistical advice, consultation, and services to USDA and State agencies concerned with health, nutrition, and education when seeking new data or the statistical analysis of existing data for policy decisions.

Current Fiscal Year Performance: While there is no specific performance goal or measure established for the objective, NASS provides technical assistance and guidance, as needed, to the REE mission area and other USDA policy officials in providing data and information needed to support this goal at the Departmental level. For example, in FY 2000, NASS worked with the Nutrient Data Laboratory as described below.

- **ARS - Nutrient Data Laboratory:** NASS provided continued statistical consultation to ARS's Nutrient Data Laboratory. This consisted of designing and implementing national level plans for sampling commodity foods and fresh produce for the laboratory's National Food and Nutrient Analysis Program. NASS developed sample designs and data collection procedures for within-store sampling of fresh produce, and provided consultation and training on aggregating nutrient data from different sources in conjunction with the laboratory's Architecture and Integration Management Nutrient Data Bank System. NASS began developing a sample design of Native American tribes for traditional Native American foods.

The NASS program supports Goal 3 through its reimbursable program; there were no appropriated resources associated with this goal in FY 2000. NASS does not plan on establishing specific performance measures for this goal in the future. This goal is a component of the overall REE strategic plan.

GOAL 4: ENHANCE THE QUALITY OF THE ENVIRONMENT THROUGH A BETTER UNDERSTANDING OF AND BUILDING ON AGRICULTURE'S AND FORESTRY'S COMPLEX LINKS WITH SOIL, WATER, AIR, AND BIOTIC RESOURCES.

Statistically sound information relevant to policy and production decisions associated with land use, chemical use and integrated pest management practices on U.S. farms and ranches is critical for the effective stewardship of America's rural resources, the environment, and the health and well-being of farm workers.

Objective 4.1: Provide statistical data on agricultural chemical use, production practices, land productivity and integrated pest management practices so proper decisions can be made regarding stewardship of America's rural resources and the environment.

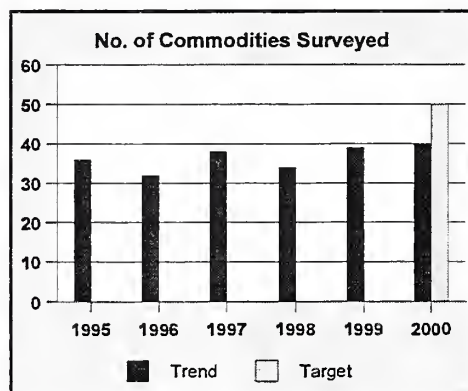
Strategies and resources for achieving this performance goal include conducting ongoing surveys to provide and expand needed information concerning quantities of chemicals applied to agricultural commodities; supplying important information on land use and productivity for use in environmental monitoring efforts; supplying important economic information relevant to policy and production decisions associated with chemical use and IPM practices on farms and ranches; and supplying information relevant to measuring the adoption of IPM practices in agriculture.

Annual Performance Goals and Indicators	FY 1999 Actual	FY 2000 Target	FY 2000 Actual
Provide statistical data on agricultural chemical use, production practices, land use, and integrated pest management practices so proper decisions can be made regarding stewardship of America's rural resources and the environment.			
<ul style="list-style-type: none"> • Number of commodities for which pesticide use data are collected. 	39 ¹	50	40

¹ Revised APR data – number of commodities were incorrectly reported.

Table 5: Annual Performance Goals and Indicators for Pesticide Use Data

Charts and Tables: NASS sets annual performance targets for the number of commodities surveyed in collecting pesticide data. The FY 2000 actual performance did not meet the FY 2000 target.



Year	Number of Commodities Surveyed	
	Actual	Target
1995	36	
1996	32	
1997	38	
1998	34	
1999	39 ¹	
2000	40	50

¹ Revised APR Data (see Table 5)

Table 6: Number of Commodities Surveyed

Chart 2: Number of Commodities Surveyed

2000 Data: The data in Chart 2 and Table 6 are based on information residing in the Agency's statistical information system managed and maintained by various Headquarters staff in the Environmental, Economic, and Demographics Branch, Census and Survey Division, and the Information Technology Division. The number of commodities covered in the surveys are summarized at the State and national levels and are reviewed by for consistency, completeness, and accuracy.

Analysis of Results: NASS did not reach its 2000 target for this performance goal. The following publications released in 2000 as a result of chemical use data collection efforts included: *Agricultural Chemical Usage - Field Crops Summary*, *Agricultural Chemical Usage - Fruits and Nuts*, *Agricultural Chemical Usage - Restricted Use Pesticides*, *Agricultural Chemical Usage - Cattle and Cattle Facilities*, *Agricultural Chemical Usage - Swine and Swine Facilities*, *Agricultural Chemical Usage - Postharvest Applications for Soybeans and Oats*. The target level for the number of commodities surveyed was not met because the environmental program was not fully implemented due to budget constraints. Estimates of chemical use statistics (e.g., acres treated, application rates, etc.) are calculated using sample weights. The reliability of these calculated values are reviewed thoroughly prior to final estimates being published. The number of commodities included in these surveys are simply counted and tabulated. This measure shows the expanding coverage of chemical use data with the increasing number of commodities being surveyed.

NASS has conducted chemical use surveys since 1990 in an effort to assist the Department in addressing concerns expressed in Presidential initiatives over the safety of chemical use on the Nation's food crops. Over the past ten years, as concern over food safety has been joined by interest in pesticide issues related to worker exposure and water quality, NASS has made every effort to increase program coverage to address known data gaps. Even with no increase in the base budget allocated to pesticide surveys from 1997 to 1999 and slight increases in FY 2000, coverage of commodities has increased steadily as knowledge of environmental issues has increased and survey efficiencies have been realized. Budget constraints impact NASS's ability to reach this target.

Current Fiscal Year Performance: Plans for 2001 and beyond include continued program expansion to provide coverage for key commodities. In addition to the publication of several documents containing commodity chemical use statistics, data collection has been completed for selected vegetable crops, multiple field crops, and is underway for floriculture and nursery commodities. In addition, analysis is winding down for a planned 2001 publication on agriculture practices related to the production of fresh fruits and vegetables.

Program Evaluation: No evaluation was conducted but program comments are annually solicited from one of the primary data users, the Environmental Protection Agency (EPA), as a part of the overall NASS program review. In addition, staff are constantly meeting with industry stakeholders, the Office of Pest Management Policy in USDA, other USDA agencies, State governments, universities, and numerous private organizations on issues related to pesticide use data. The first annual NASS Environmental Data Users meeting was held in Washington, D.C., on October 10, 2000.

GOAL 5: EMPOWER PEOPLE AND COMMUNITIES, THROUGH RESEARCH-BASED INFORMATION AND EDUCATION, TO ADDRESS THE ECONOMIC AND SOCIAL PROBLEMS FACING OUR YOUTH, FAMILIES, AND COMMUNITIES.

Greater economic opportunity and quality of life is made possible for those most in need through policy and program decisions based on sound statistical data from agricultural censuses and surveys. Annual surveys monitor the economic status of those who operate and work on the Nation's farms and ranches and provide needed data for policy analysis. The Bureau of Economic Analysis receives important data for measuring economic activity at the county level. NASS will continue to improve coverage of minority farm operators when conducting the census of agriculture to provide needed demographic data and document the contributions to agricultural production from these farm and ranch operators.

Objective 5.1: Provide detailed data from the census of agriculture at specified intervals to facilitate locality based policy and business decisions benefitting farmers, ranchers, and rural residents.

Objective 5.2: Provide necessary and sufficient economic data on prices, labor, cost of production, farm numbers, and farm income to enable informed policy decisions to benefit farmers, ranchers, and rural residents.

The Advisory Committee on Agriculture Statistics, whose members represent and are affiliated with industry groups, commodity groups, organizations, universities, corporations, and other data users, are providing valuable input during the planning cycle for the 2002 Census of Agriculture. The committee will be meeting periodically over the next several years to review and discuss content and other relevant issues for planning and conducting the next census of agriculture. There will be a limited number of performance targets established during the planning and re-engineering cycle.

Annual Performance Goals and Indicators	FY 1999 Actual	FY 2000 Target	FY 2000 Actual
Provide detailed data from the census of agriculture at specified intervals to facilitate locality based policy and business decisions benefitting farmers, ranchers, and rural residents. Provide necessary and sufficient economic data on prices, labor, cost of production, farm numbers, and farm income to enable informed policy decisions to benefit farmers, ranchers, and rural residents.	10	1/	1/
• Number of months earlier than previous agricultural censuses for release of U.S. census data.	18%	1/	1/
• Percent completeness improvement for coverage of minority operated farms compared to the previous agricultural census.	2/	2/	2/
• Documented evidence that AELOS ¹ data are requested and used to make informed decisions by a wide cross-section of data users for analyzing changes in farm financial health, land ownership patterns and inputs contributed to agricultural production by landlords.			

¹ Agricultural Economics and Land Ownership Survey

1/ The census of agriculture is conducted every 5 years. Data for the 1997 Census of Agriculture were collected in 1998, and released on February 1, 1999.

2/ Requests for this information will be documented through contacts with industry groups, commodity groups, farm worker organizations, environmental associations, universities, corporations, and other data users. Contact will be documented from official correspondence, meetings, conferences, exhibitions, and speeches by both Headquarters and field office staff. NASS could track the value and usefulness of this information through customer surveys and calls received to the toll-free customer service hot line once the AELOS results are available to the public early in the 2001 calendar year.

Table 7: Annual Performance Goals and Indicators for the Census of Agriculture

2000 Data: Since the census of agriculture is conducted every 5 years, no additional performance information is available during non-census years; therefore, no 2000 data are available. The Agricultural Economics and Land Ownership Survey (AELOS) is a census follow-on survey administered approximately every 10 years; therefore, no AELOS data are available until 2001.

Analysis of Results: There were no performance targets established for this goal in FY 2000. AELOS is a census follow-on survey administered approximately every 10 years, with the last survey completed in 1988. The purpose is to provide economic and land ownership characteristics from operators and farmland owners (landlords). Detailed information on net cash farm income, sales, expenses, assets, and debt are published for the Nation, regions, and all 50 states. In this unique survey, data is collected to provide a count of landlords and their contributions to the agriculture sector.

AELOS data collection began in January 2000 and ended in September 2000 and was conducted in two data collection phases. In the first phase, farm operators were contacted to collect economic data and landlord information for their operation. The sample size for this first phase was 42,328. The landlords identified in Phase 1 were used to build the Phase 2 sample. The landlord sample consisted of 49,043 landlords with complete addresses. An additional 19,208 landlords were not contacted because it was institutional land (land owned by Federal or State governments, Indian Reservations, research facilities, etc.) or the operator refused to give the names and/or addresses of the landlord. The majority of the data was collected by mail. In the Operator Phase, 85.7 percent of the farmers contacted responded to the survey and 75 percent of the operators contacted supplied NASS with usable data. In the Landlord Phase, 72 percent of the landlords contacted provided NASS with usable data.

Description of Plans and Schedules:

- **Agricultural Economics and Land Ownership Survey (AELOS):** The 1999 AELOS is targeted to be released in May 2001. This performance measure is expected to be discontinued from NASS's FY 2002 and Revised FY 2001 Performance Plan.
- **Census of Agriculture:** The cyclical downward trend in the reduction of resources in FY 1999, FY 2000, and FY 2001 occurred after completing the 1997 Census of Agriculture in 1998. Funding cycle will begin increasing in FY 2002. This is typical to the 5-year census cycle and is normally associated with the completion of the previous census activities and the start-up of the planning phase for the next census of agriculture.

In preparation for conducting the next census of agriculture, the Advisory Committee on Agriculture Statistics met in Washington, D.C., November 30-December 1, 1999, and April 25-26, 2000, and are planning to meet again April 3-4, 2001. The Committee consists of 25 members representing a broad range of agricultural disciplines and interests. It meets to advise the Secretary of Agriculture and NASS on the scope, content, and timing of periodic censuses and surveys of agriculture.

Major activities in FY 2001 and 2002 include specific list building strategies and activities; formulation of data collection plans targeted for American Indian and minority farm operators; equipment installation and testing; census mail list development; printing of census questionnaires; completion of final specifications, development, and testing procedures for data collection, processing, and analysis phases of the census; completion of publicity and outreach plans and printing of materials; and determination of final census data products design, mix, and production schedules. These ongoing planning and re-engineering efforts will continue into FY 2002 and beyond and will provide a solid foundation in preparing for the data collection, processing, analysis, summarization, and publication of the 2002 Census of Agriculture. Completion of these preparatory activities is critical to the scheduled mailing of the 2002 Census of Agriculture questionnaires to the Nation's farmers and ranchers in December 2002. The data collection and processing cycle of the census of agriculture beginning in FY 2003 requires considerably more resources than the current ongoing activities associated with the planning and re-engineering phase. Existing performance measures for this goal are being discontinued but are being replaced with new performance indicators in the FY 2002 and Revised FY 2001 Performance Plan.

Current Fiscal Year Performance:

- **Agricultural Economics and Land Ownership Survey (AELOS):** Analyses of the survey data are ongoing and the final report is being prepared for release in May 2001.
- **Census of Agriculture:** Post-census activities includes distributing special studies on the Census of Aquaculture, the Farm and Ranch Irrigation Survey, and the Census of Horticulture Specialties, in addition to distribution of 1997 Census of Agriculture special publications and products. Specific information for each of these surveys are covered in detail in the new products and services section of this APR.

The 2000 Census of Agriculture Content Test project began in May 2000. The purpose of this project is to evaluate the report form that will be used to count the number of farms and measure U.S. agricultural production in the 2002 Census of Agriculture. This will be accomplished by testing three panels of the two report forms. The test will evaluate the scanning and optical/intelligent character recognition (OCR/ICR) technology as well as the survey methodology and content concepts of new questions and sections.

The pretest or first phase of the content test began in May 2000 with an evaluation of the preliminary report form by field enumerators at the Maryland and Virginia State Statistical Offices' (SSOs) June mid-year workshops. Pretesting of the draft report form was conducted in September 2000 with nearly 200 operations in 15 States contacted. The second phase of the content test began December 15, 2000, with the mailout of approximately 15,000 census test report forms. Response to the content test is not required by law. The third phase includes a follow-up of approximately 1,000 operations starting January 2001 and continuing through March 2001 as the forms from Phase 2 are returned and the data are evaluated. SSO participants and Headquarters staff will re-contact respondents and conduct personal follow-up interviews in this phase. During these meetings, interviewers will refer back to the respondents' completed Phase 2 report forms and ask specific questions about their understanding and reporting. All respondents who were selected as special case operations and returned report forms in Phase 2, will be interviewed in Phase 3. During the third phase, focus groups may also be used to evaluate individual sections of the report form that are identified as problematic, such as those with incomplete data, inconsistent data, or if respondents experience significant problems with form content.

The objectives for the content testing are to test and evaluate the census report form design and analyze the results in preparation for the 2002 Census of Agriculture. This includes assessment of questionnaire format and design, new content items, and changes to question wording. Respondent comprehension of the report form will be analyzed in three phases of testing, namely pretesting, mailout, and the follow-up interview. It will also test census processing procedures, and assess the factors affecting the census programs and processing methods. To support this objective, the Phase 2 mailout handling and processing will simulate the procedures planned for the 2002 census as closely as possible. The results of the census content test will be included in future annual performance reports in the program evaluation section for the census of agriculture.

Program Evaluations: No program evaluations were completed in FY 2000.

GOAL 6: **ENHANCE PARTNER INSTITUTIONS AND INFORMATION SYSTEMS TO FACILITATE ACHIEVEMENT OF THE REE GOALS.**

NASS conducts surveys for and lends technical expertise to other Federal agencies, State governments, and private organizations on a reimbursable basis. NASS provides support and assistance in the areas of questionnaire and sample design, data collection and editing, analysis of survey results, and training. NASS also provides technical consultation, support, and assistance for international programs under participating agency service agreements.

Objective 6.1: Facilitate partnerships with State Departments of Agriculture, Land Grant Colleges and Universities, and other cooperators to enhance the statistical information available on U.S. agriculture, respond to local data needs, and reduce respondent burden on the Nation's farmers, ranchers, and agribusinesses.

Objective 6.2: Ensure up-to-date, reliable, and efficient technological systems to effectively manage information to meet both internal and external needs.

NASS performs services and statistical consultation for other Federal and State agencies and private commodity organizations on a reimbursable basis. Statistics generated meet special needs not covered by the national agricultural statistics program. In addition, statistical consultation by NASS staff members contributes to improvements in the overall quality and consistency of statistical information produced for the needs of other organizations.

Annual Performance Goals and Indicators	FY 1999 Actual	FY 2000 Target	FY 2000 Actual
Promote partnerships with State Departments of Agriculture, Land Grant Colleges and Universities, and other cooperators and ensure up-to-date, reliable, and efficient information management systems.			
• Number of cooperative agreements and memorandums of understanding between NASS and outside partners.	75 ¹	n/a ²	73
• Number of security technologies and security system architectures adopted and deployed.	2 ¹	n/a ²	2

¹ Actual data was inadvertently omitted in the FY 2000 APP. ² Target was not established in the FY 2000 APP.

Table 8: Annual Performance Goals and Indicators for Agreements and Security Technologies

2000 Data: The data in Table 8 is based on hand tabulations and counts by the Headquarters staff. The number of agreements was prepared by the Budget and Administrative Services Offices and the number of security systems was provided by the Information Technology Division (ITD). There was no automated systems used to track or generate this information. The information was reviewed for consistency, completeness, and accuracy.

Analysis of Results: The targets for this goal had not been established for the FY 2000 APP, therefore a determination of goal attainment could not be measured in this report. However, the actual number of partnerships with external cooperators and the number of security systems and technologies were established for FY 1999 and FY 2000. A brief analysis is provided for each of the indicators for this performance goal:

- **Cooperative Agreements and MOUs:** NASS had 29 State Statistical Offices (SSOs) who had a total of 31 cooperative agreements and 29 memorandums of understandings with State Departments of Agriculture, land grant colleges and universities, and other cooperators. Headquarters had 11 agreements and two MOUs in FY 2000. These unique State-Federal cooperative agreements are established each year in order to facilitate work to conduct special state (or multi-state) surveys and services in cooperation with State Departments of Agriculture, land-grant colleges and universities, and industry groups by the SSOs. In FY 2000, work included 111 special surveys covering such varied issues as customer service, farm safety and health, pesticide use, county estimates, nursery/horticulture, farm finance, and specialty crops.

Survey Type	Number of Surveys
Seeds, Field Crops, Vegetables	18
Fruits and Nuts	20
County Estimates	7
Cropping Practices, Pesticide Use	3
Livestock, Poultry	7
Safety, Health, Disability	3
Nursery and Floriculture	3
Farm Finance, Land Values	4
Miscellaneous	46
TOTAL	111

Table 9: Special SSO Surveys Conducted in FY 2000

- **Security Technologies and Systems:** NASS planned to implement four systems in FY 2000 but was only able to implement two of the systems due to lack of available budget resources. The four systems included intrusion detection, a secure system for processing Internal Revenue Service (IRS) data, telecommunication routers which included firewalls, and the encryption software required by the Foundation Financial Information System (FFIS) system from the National Finance Center (NFC).

NASS successfully completed the SafeGuards Report which was approved by the IRS. NASS implemented a stand-alone, secure processing system for Federal Tax Information (FTI). This was required by IRS to provide high-level security for names received from the IRS for processing the 2002 Census of Agriculture. NASS was able to begin deploying routers with built-in firewalls. Routers were implemented in sites where sharing of telecommunications resources will be possible under USDA optimization efforts. Due to budget constraints NASS was unable to implement intrusion detection. NASS currently works with the Department to monitor access to NASS telecommunication resources. NASS has been very satisfied with the router and firewall combination. NASS is now sharing telecommunication services in three locations. This is financially beneficial to all agencies within USDA. The IRS system is providing the secure processing environment that was intended. This performance indicator is being discontinued in the FY 2002 and Revised FY 2001 APP.

Current fiscal Year Performance:

- **Cooperative Agreements and MOUs:** NASS continually works to increase the number of agreements and MOUs each year with its external cooperators as it has successfully done in the past. NASS also strives to provide the same level of high quality work and service to its cooperators.
- **Security Technologies and Systems:** Implementation of new router configurations in all of the remaining NASS field offices is expected to take place during FY 2001 and FY 2002, if feasible under budget constraints. NASS plans to implement the router and firewall combination in six additional field offices this fiscal year. NASS has procured and is in the process of implementing switch technology in the remaining field offices. At the end of this fiscal year, NASS will have replaced old hub technology with switches in all field office locations.

NASS will implement the required desktop encryption for all FFIS users by the end of this fiscal year prior to the system going to production next fiscal year. The FFIS implementation was not ready for testing in FY 2000. NASS has implemented the required desktop encryption for the Beta users selected for testing the FFIS system. NASS continuously monitors security and has an implementation plan through FY 2002.

Program Evaluation: No program evaluation has been completed for FY 2000.

NASS MANAGEMENT INITIATIVES

Management Initiative 1: Strive to meet customer needs and expectations.

NASS's pledge to its customers is to respond to each customer in a courteous and helpful manner; accurately direct customers to the person or agency with the appropriate information; provide complete, accurate, plain language information about NASS programs, products, and services; make it easy to find and order reports; deliver promised information promptly; explain why, when NASS cannot meet the customer's request; and deliver services without discrimination on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, and marital or family status.

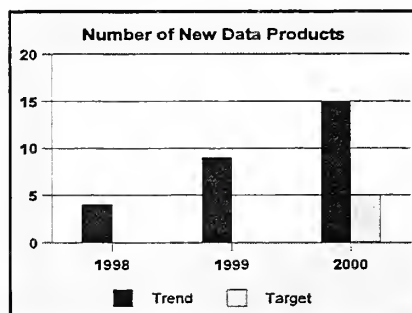
With the steady increase in demand for agricultural information and the steady decline in the number of commercial farmers, NASS's concern with respondent burden issues has never been more critical. NASS continues to fortify relationships with trade and producer associations at the national and local level to increase their support and publicity of the surveys. NASS provides these associations with news stories and advertisements to use in communication with their members. NASS has centralized marketing and public relations activities to streamline processes, achieve better quality results, and conserve resources by eliminating duplicate efforts on the part of the SSOs. The primary focus has been enhanced, increased communication of survey benefits through the media, in writing, and in person. NASS prepared several communications packages for the SSOs to use when promoting specific surveys to producers and their associations. These packages include electronic presentations, media releases, talking points, brochures, public service advertisements, suggested interview questions for reporters, presurvey letters, and other tools to communicate the purpose and, most importantly, benefits of agricultural surveys.

Annual Performance Goals and Indicators	FY 1999 Actual	FY 2000 Target	FY 2000 Actual
Improve customer awareness, responsiveness, service, and communications within NASS to enhance the data products and services delivered to satisfy changing customer data needs and expectations.			
<ul style="list-style-type: none"> Percentage of data users who are satisfied or very satisfied with NASS service. 	n/a	90%	n/a ¹
<ul style="list-style-type: none"> Number of new data products and services introduced to fulfill customer requests. 	9	5	15

¹ Performance indicators for evaluating data users ratings are being discontinued but will be replaced with information from the American Customer Satisfaction Survey.

Table 10: Annual Performance Goals and Indicators for New Products and Services

Charts & Tables: NASS sets annual performance targets for the number of new products and services. The FY 2000 actual performance surpassed the FY 2000 target.



Year	Number of New Data Products	Target
1998	4	
1999	9	
2000	15	5

Table 11: Number of New Data Products

Chart 3: Number of New Data Products

2000 Data: The data in Chart 3 and Table 11 for new data products are based on agency information maintained internally in Headquarters offices in Washington, D.C., by the Marketing and Information Services Office (MISO). It is reviewed for consistency, completeness, and accuracy. There were no customer service data available to report the percent of data users who were satisfied or very satisfied with NASS service.

Analysis of Results: NASS exceeded its performance goal for new products and services but did not meet its target for measuring customer satisfaction established in the FY 2000 APP. During FY 2000, NASS introduced 15 new products to address additional data needs in addition to the 425 National reports released during the calendar year. A brief analysis is provided for each of the indicators for this performance goal:

- New Data Products and Services:** *1998 Farm and Ranch Irrigation Survey:* Report was released in November 1999. This report provides a snapshot of irrigation practices in the agricultural industry during 1998, and shows interesting trends since the last survey conducted in 1994. Although previous surveys provided data for 18 water resource areas and 27 States, the 1998 results offer data for every State and 20 water resource areas. This new irrigation survey also includes first-time statistics on computers for irrigation, water management, and water distribution software.

1998 Farm and Ranch Irrigation Survey Quick Facts (1998): Report was issued November 2000. A tri-fold brochure with text, charts, and graphs that highlights major data series from the 1998 Farm and Ranch Irrigation Survey.

1998 Census of Aquaculture Publication, Volume 3, Special Studies, Part 3: Report was issued February 2000. This was the first national census taken for the aquaculture industry. This census responded to the intense need for an accurate measurement of the aquaculture sector. The census listed catfish, trout, and tropical fish and provided space for producers to list any other food-type or other aquaculture products sold from their operation. The census collected detailed information relating to on-farm aquaculture practices, size of operation based on water area, production, sales, method of production, sources of water, point of first sale outlets, cooperative agreements and contracts, and aquaculture distributed for restoration or conservation purposes. The census also presents data on size of operation, methodology, sales by category, losses, irrigation, and other topics.

1998 Census of Aquaculture Quick Facts: Report was issued February 2000. A tri-fold brochure with text, charts, and graphs that highlights major data series from the 1998 Census of Aquaculture.

Census of Horticultural Specialties (1998), Volume 3, Special Studies, Part 2: Report was issued in March 2000. This census was taken in accordance with the provisions of "Census of Agriculture Act of 1997." The census, conducted for the first time by NASS, is the eighth census of horticultural specialties. This census has traditionally been conducted every 10 years. The publication includes producers of floriculture, nursery, and other specialty crops, such as sod, mushrooms, food crops produced under glass or other protection, transplants for commercial production, and seeds. Covers the United States, each State, and leading counties. Presents tabulations on number of establishments, value of sales, type of horticultural products, and other data items for horticultural operations. Major changes in 1998 to the horticultural specialties census are the inclusion of cut Christmas trees, short terms woody crops, and marketing channels.

Census of Horticultural Quick Facts (1998): Report was issued September 2000. A tri-fold brochure with text, charts, and graphs that highlights major data series from the 1998 Census of Horticultural Specialties.

1998 Census of Agriculture - Puerto Rico, Volume 1, Geographic Area Series, Part 52: Report was issued March 2000. The 1998 census was taken to obtain agricultural statistics for each county, State (including territories and protectorates), and the Nation. The 1998 census is the fourteenth census of agriculture of Puerto Rico. The reference year, 1998, reflects the year data were gathered. Inventory data reflect numbers on hand on July 1, 1998. The data are for the 12-month period of July 1, 1997, through June 30, 1998. The census cycle remains every five years, and the years referenced in the publication have been changed to more accurately reflect the collection period. The census is the leading source of statistics about Puerto Rico's agricultural production.

Puerto Rico 1998 Census of Agriculture Quick Facts: Report was issued March 2000. A tri-fold brochure with text, charts, and graphs that highlights major data series from the 1998 Puerto Rico Census of Agriculture.

Agricultural Chemical Usage - Postharvest Applications - Soybeans and Oats: Report was issued March 2000. Chemical application rates and quantity of crops treated with pesticides following harvest. Results refer to pesticide applications made at off-farm grain storage facilities after crops were harvested.

Agricultural Chemical Usage - Cattle and Cattle Facilities: Report was issued April 2000. This report is a summary of information on chemical applications to beef and dairy cattle and associated cattle structures and facilities.

Characteristics of Hispanic Farm Operators: Report was issued September 2000. This tri-fold brochure was issued at the request of the Secretary's Hispanic Advisory Council. The colorful quick facts brochure contains tables, text, and charts highlighting information from the 1997 Census of Agriculture on the Hispanic farm community.

1998 Census of Agriculture - Virgin Islands of the United States Area Data, Volume 1, Geographic Area Series, Outlying Areas: The census of agriculture is the leading source of statistics about the U.S. Virgin Island's agricultural production in 1998. Tables in the publication show detailed island data accompanied by historical data from the previous census; selected data items presented by election districts; and provide 1998 island data cross-tabulated by tenure of operator, age of operator, size of farm, and value of agricultural products sold.

1998 Census of Agriculture - Guam of the United States Area Data, Volume 1, Geographic Area Series, Outlying Areas: The census of agriculture is the leading source of statistics about the Guam agricultural production in 1998. Tables in the publication show detailed island data accompanied by historical data from the previous census; selected data items presented by election districts; and provide 1998 island data cross-tabulated by tenure of operator, age of operator, size of farm, and value of agricultural products sold.

1998 Census of Agriculture - Commonwealth of Northern Mariana Islands of the United States Area Data, Volume 1, Geographic Area Series, Outlying Areas: The census of agriculture is the leading source of statistics about the Northern Mariana Islands agricultural production in 1998. Tables in the publication show detailed island data accompanied by historical data from the previous census; selected data items presented by election districts; and provide 1998 island data cross-tabulated by tenure of operator, age of operator, size of farm, and value of agricultural products sold.

1997 Census of Agriculture - Ranking of Congressional Districts Report: Report was issued early 2000. The census of agriculture asked farm operators to report the principal State and county of agricultural activity for the farm operation, but not the congressional district. For this report, farms were assigned to congressional districts according to the reported State and county of agricultural activity. Several factors were used to determine the most likely district to assign these farms. These factors included land area size presence of

urban or rural land and other relevant information.

- **Data User Ratings:** Information provided by the data users at the Data User Meeting in Chicago on October 18-19, 1999, covered a wide variety of commodity and statistical data issues. Questionnaires are distributed at these meetings, but very little numerical information was provided by the data users on customer satisfaction. The incompleteness of the information makes any method of numerical calculations impractical because they would not be representative of NASS's wide spectrum of data users. Performance indicators for evaluating data users ratings established by the FY 2000 APP are being discontinued but will be replaced with the American Customer Satisfaction Survey information. Future agency plans for customer satisfaction surveys are explained in the Descriptions of Plans and Schedule and Current Fiscal Year Performance for this goal.

Description of Plans and Schedules: Performance measures established in the FY 2000 Annual Performance Plan (APP) for evaluating data user ratings and satisfaction with NASS services were changed with the use of the American Customer Satisfaction Survey which was conducted in September-October 2000. The results of the survey were released in December 2000. This survey generates an index called the American Customer Satisfaction Index (ACSI) which measures the Agency's performance regarding customer service and products. The use of this survey is now being widely used in government and private industry for establishing baselines and comparing level of services provided among organizations. The ACSI and index components have now incorporated in the most recent FY 2001 and 2002 APPs and will serve as the standard for the future.

Current Fiscal Year Performance: The newly established Marketing and Information Services Office (MISO) provides publicity and public relations materials, disseminates statistics, operates the Publications Office and Agricultural Statistics Information Line, administers the NASS Homepage at <http://www.usda.gov/nass/>, supports public relations activities of HQ and State Statistical Offices (SSOs), develops new publication products, coordinates relations with the media, and supports the Agricultural Statistics Board. MISO will play a key agency role in facilitating the development and deployment of new products for NASS data users for FY 2001 and beyond in achieving performance targets.

- **New Data Products and Services:** *97 Zip Code and District Rankings CD-Rom:* Report was issued in late 2000 and the information can be accessed on the Internet. Hard-copy will be available in early 2001. This report presents agricultural statistics by five-digit postal zip code and congressional district (106th Congress) in two separate files, for all farms in all 50 States. Tables show the total market value of products sold and the number of farms by size for land in farms, cropland harvested, selected crops, and inventory of cattle, calves, hogs, and pigs. Crops vary by State, and tables show number of farms by acres harvested for commodities such as tobacco, cotton, soybeans for beans, peanuts for nuts, and land in orchards.

Agricultural Chemical Usage - Swine and Swine Facilities: Report was issued December 2000. This report is a summary of information on chemical applications to hogs and associated hog structures and facilities.

1999 Census of Agriculture - American Samoa of the United States Area Data, Volume 1, Geographic Area Series, Outlying Areas: The census of agriculture is the leading source of statistics about American Samoa agricultural production in 1998. Tables in the publication show detailed island data accompanied by historical data from the previous census; selected data items presented by election districts; and provide 1998 island data cross-tabulated by tenure of operator, age of operator, size of farm, and value of agricultural products sold.

- **Data User Ratings:** Annual Data User Meetings were held. The first meeting was held in Washington, D.C., on October 10, 2000, to discuss a host of chemical use, food safety, and environmental issues. A second data user meeting was held in Chicago, IL., October 16, 2000, with commodity and agricultural industry representatives to discuss crop and livestock program issues. NASS anticipates continuing these annual data users meetings to discuss customer data needs, quality of service and to seek their advice on current and emerging issues. The Federal Consulting Group presented the results of the American Customer Satisfaction Survey to NASS in December 2000. The ACSI will provide a benchmark for NASS in FY 2001 to assess agency processes and program solutions and for implementation of future quality initiatives. The ACSI index and its components are included in the Revised FY 2001 and FY 2002 APP.

Program Evaluations: No program evaluations were conducted.

Management Initiative 2: Employ a diversified and technically competent staff and treat employees fairly and with respect.

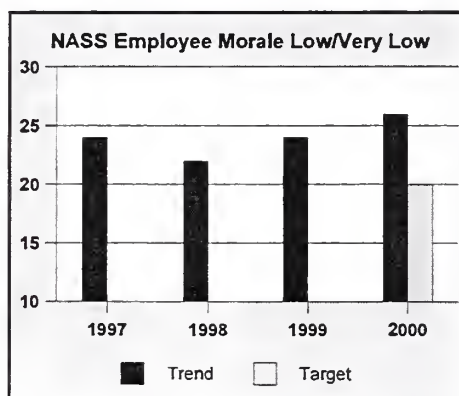
The quality of NASS's agricultural estimates are strengthened by employing, training, and supporting a diverse workforce that fosters creativity, ingenuity, and efficiency in the agricultural statistics program. NASS envisions itself as the acknowledged statistical leader for those seeking counsel, survey services, or data products regarding agricultural and rural statistics, a standing achieved by consistently demonstrating sound methodology, effective

resource utilization, and a focus on customer service. NASS employees are strengthened by the diversity of their cultures and backgrounds, the enjoyment of a challenging career, and their unsurpassed level of dedication to the Agency. NASS continually strengthens its technical, managerial, and leadership capabilities of employees who will be recognized for leadership and management excellence in USDA as evidenced by continuous improvements in productivity and efficiency.

Annual Performance Goals and Indicators	FY 1999 Actual	FY 2000 Target	FY 2000 Actual
Hire, train, and develop a highly qualified, diversified, and technically competent staff in an atmosphere of trust, teamwork, and in a healthy, comfortable, modern, and safe environment.			
• All program needs are met and NASS meets Department guidelines regarding diversity in staff.	yes	yes	yes
• Percentage of NASS employees reporting low or very low morale.	24%	20%	26%
• Number of substantiated EEO complaints filed by NASS employees.	0	0	0

Table 12: Annual Performance Goals and Indicators for NASS Staff

Charts and Tables: NASS sets annual performance targets for measuring employee morale and EEO complaints. The FY 2000 actual performance for employee morale did not meet the FY 2000 target but the number of substantiated EEO complaints met the FY 2000 target.



Year	NASS Employees with Low or Very Low Morale	Target Percent
1997	24%	
1998	22% ¹	
1999	24%	
2000	26% ¹	20%

¹ HRME data

Table 13: NASS Employee Morale

Chart 4: NASS Employee Morale

Year	Total Number of Complaints & Grievances Filed	Actual Number of Substantiated EEO Complaints Filed	Target Number of Substantiated EEO Complaints Filed
1996	3	0	
1997	5	0	
1998	10	0	
1999	6	0	
2000	3	0	0

Table 14: Number of Substantiated EEO Complaints

2000 Data: Personnel information for the 2000 data is compiled by the Human Resources unit of the Budget / Administrative Services Office (BASO) and the Director of Civil Rights using the National Finance Center (NFC) Personnel System and other administrative information maintained internally by the Civil Rights Director. Information for the NASS Organizational Climate Survey is maintained internally by NASS. Information for employee morale is based on 171 SSO employees who were interviewed on Human Resource Management Evaluations (HRMEs) completed in the field offices since the 1999 Organizational Climate Survey was completed. Data limitations for employee morale reported for 2000 may not be representative of the entire agency due to the small number of responses, but may give some indication of the possible trend of how employees may respond to the 2001 Organizational Climate Survey.

Analysis of Results: NASS met its performance goal in employing a diversified and technically competent staff and treating employees fairly and with respect. A brief analysis is provided for each of the indicators for this performance goal:

- Staff Diversity:** Employment and Agency diversity information for FY 2000 was obtained from the NFC. As of September 2000, the NASS permanent, full-time, and part-time employees totaled 1,114, with a breakdown of 532 men and 582 women. During the past several years, NASS has been addressing any existing under-representation within the Agency for the following four most populous occupational series (those having 50 or more employees): GS-1530, Agricultural Statistician; GS-1529, Mathematical Statistician; GS-334, Computer Specialist; and GS-1531, Statistical Assistant. All personnel actions (hires, promotions, reassignments, resignations, etc.) impacting the workforce's diversity within these four series are tracked since these occupational series combined make up approximately 81 percent of the Agency's total workforce. NASS continued to make great strides in recruiting and hiring a diverse group of new employees in the four major job series. Of the 73 new employees hired in FY 2000, 70 percent of the new hires were women and minorities. Over the past several years, NASS has found the market for recruiting Statisticians and Computer Specialists to be much more competitive than in the past. To enable the Agency to be more competitive, the NASS Senior Executive Team (SET) offers recruitment and relocation bonuses for certain situations. Consequently, employees with a reporting date of May 1, 2000, and after may be eligible for either of these bonuses providing they meet the eligibility criteria established in the administrative instructions for this program.



Chart 5: Percent of New Hires are Women and Minorities

Most of the new employees were recruited by State Statisticians in the SSOs through local colleges and universities, with special emphasis placed on recruiting qualified students from the 1890 Historically Black Colleges and Universities. NASS is planning to continue using internship programs as its primary program for hiring and recruiting a diverse workforce.

- Employee Morale:** A summary of the HRME data for FY 2000 consisted of 171 employee responses (representing only about 14 percent of all employees in NASS); 26 percent rated their morale as very low or low. This is 2 points above the previous survey and 6 points above the performance target of 20 percent. The accumulated information compiled from the HRMEs is questionable because the data are not representative of all NASS employees due to the small segment of the Agency that was measured. The two previous surveys showed no significant change in employee morale between 1997 and the 1999 Organizational Climate Survey. A more accurate and complete picture of employee morale will be reflected in the 2001 Organizational Climate Survey data.
- Substantiated EEO Complaints:** The actual number of substantiated EEO complaints filed is based on complaints and grievances that are reviewed and accepted for formal investigation under the Departmental EEO complaint process and which subsequently result in a finding of discrimination against a NASS

management official or employee. There were a total of 3 complaints in FY 2000, but none of them has resulted in a ruling of discrimination against the Agency.

The FY 2000 annual civil rights performance rating for NASS was completed by the USDA's Office of Civil Rights who reported that NASS had made considerable efforts to strengthen the Agency's civil rights program. NASS had successfully addressed all of the performance indicators under the Agency's control and had demonstrated commitment to achieving civil rights progress during FY 2000.

Current Fiscal Year Performance: NASS requires employees to use Individual Development Plans (IDPs) to reflect their career goals within the Agency's career paths and develop innovative and flexible training programs to meet individual needs. NASS pays training costs for employees who wish to develop their skills and build experience and versatility through staff mobility. NASS strengthens the technical, managerial, and leadership capabilities of employees by creating a cadre of needed specialists with a series of technical career tracks, aligning training and job opportunities with employees' technical and managerial career goals, developing training programs to align with changing program needs, and striving to employ a diversified and technically competent staff. NASS is planning to conduct civil rights training in coordination with USDA's ongoing efforts along with normally scheduled supervisory and management training in FY 2001.

NASS is conducting a 2001 NASS Leadership Workshop scheduled for April 23-26, 2001, for all NASS supervisors and managers in Headquarters and the State Statistical Offices (SSOs) in the field. This workshop will focus on leadership, team building, and managing the Agency's resources. It will incorporate presentations and hands-on examples in leadership training. In addition, a session with the Resource Management Council will discuss management and set priorities for the Agency's resources. Participants will complete a 360-Degree Leadership Effectiveness Inventory measure prior to the workshop, and results will be presented confidentially to employees at the workshop.

NASS Headquarters and field office staff attended and participated in numerous state and national industry and commodity association meetings and conferences throughout FY 2001. NASS will continue to make extensive use of cooperative agreements with the State Departments of Agriculture nationwide and the National Association of State Departments of Agriculture (NASDA) in supporting the NASS statistical programs, at both the local and national levels. NASS continues its technical consulting efforts within the Department and other government agencies, as well as internationally with several Central American and Eastern European countries and China.

- **Staff Diversity:** The current hiring freeze was initiated due to limited budget resources available for salaries. This is limiting the Agency's ability to fill vacancies when highly trained, experienced statisticians and staff leave the Agency due to retirement or resignation for higher paying jobs in the private industry. However, some selected and limited hiring is being done on a case-by-case basis for job applicants who have high caliber skills, knowledge, and abilities.
- **Employee Morale:** Survey results for evaluating employee morale will be generated from the 2001 NASS Organizational Survey conducted in February 2001 by the Survey Research Center at the University of Maryland, College Park. The survey will be administered to all NASS employees including some State employees who work in NASS field office locations. The results and detailed analysis of the 2001 NASS Organizational Climate Survey will be published and distributed at the 2001 Leadership Workshop and to all NASS employees, and will be available upon request. NASS Organizational Climate Surveys are typically administered every 2-3 years. Previous climate surveys were done in 1988, 1994, 1997, and 1999. Continued improvements in the organization have been ongoing.
- **Substantiated EEO Complaints:** NASS does not anticipate any substantiated EEO complaints this year.

Program Evaluations: An internal Organizational Climate Survey Evaluation Team was chartered by NASS Senior Management in 1999. The team's task was to analyze the results of the 1999 Organizational Climate Survey and make comparisons, when applicable; assess the Agency's goals and priorities; and, make recommendations to NASS Senior Management in FY 2000. The team played a vital role in evaluating the questionnaire and providing input for the 2001 survey. The team has also articulated the NASS Core Value System and provided recommendations consistent with those values that will be important in making NASS "a great place to work."

Management Initiative 3: Ensure an effective information resource management system that maximizes productive capability and facilitates communication for employees.

Clear and concise communication throughout NASS is essential to the general operation, efficiency, and responsiveness of the Agency. Through use of its information technology and resource management systems, NASS continually strives to promote government efficiency by its employees and maintain information that is easily accessible by its customers. Employee and public confidence in the security of its electronic information systems and processes are also essential for maximizing employee productivity and facilitating communication

within NASS and with its customers. In the future, this includes expanding NASS's capabilities for allowing individuals or entities the option to submit information or transact with NASS electronically, when practicable, and to maintain records electronically, when practicable. NASS' use of information technology is a major means of supporting the USDA goals to improve organizational productivity, accountability, and performance, and to ensure that USDA provides fair and equitable service to all customers and upholds the civil rights of its employees. Employee workstation are equipped with connections to the NASS WAN, e-mail, electronic bulletin boards, the Internet, the Intranet, and a host of software applications that have significantly enhanced communications and improved organizational productivity, accountability and performance.

Annual Performance Goals and Indicators	FY 1999 Actual	FY 2000 Target	FY 2000 Actual
Effectively manage an information resources management system that uses the latest technology to maximize productive capability and facilitate communication for efficient delivery of NASS services to the public.			
<ul style="list-style-type: none"> Number of report due dates missed due to equipment failure. Percent of employees strongly agreeing or agreeing that the physical work environment is not an impediment for doing their job well. 	0	0	0
	80%	85%	n/a ¹

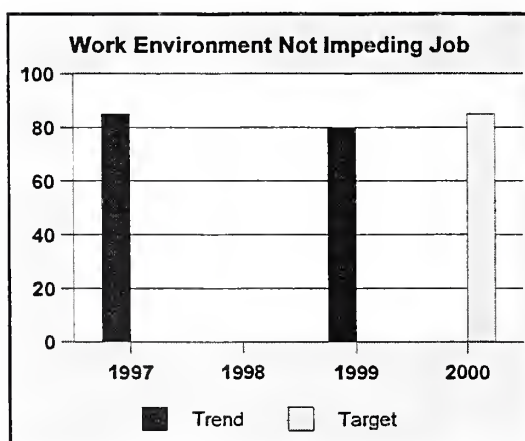
¹ No HRME data or Organizational Climate Survey data was available for reporting purposes in FY 2000.

Table 15: Annual Performance Goals and Indicators for Reports Missed Due to Equipment Failure and Employee's Physical Work Environment

Charts and Tables: NASS sets annual performance targets for equipment failures and employee ratings of their work environment. The FY 2000 actual performance for equipment failures met the FY2000 target; no data was available for evaluating employee ratings of their work environment.

Year	Number of NASS Reports and Releases	Due Dates Missed Due to Equipment Failures	Target
1998	425	1	
1999	419	0	
2000	425	0	0

Table 16: Number of Equipment Failures



Year	Employees Agreeing that Physical Work not Impeding Them	Target
1997	85%	
1998	n/a	
1999	80%	
2000	n/a ¹	85%

¹ No data available (see Table 15)

Table 17: Employees Work Environment

Chart 6: Employees Work Environment

2000 Data: The data in Table 16 for the number of report due dates missed due to equipment failure are based on Agency information maintained internally in Headquarters offices in Washington, D.C., by the MISO. It is reviewed for consistency, completeness, and accuracy. As indicated in Chart 6 and Table 17, there were not any Organizational Climate Survey or HRME data available to report the percent of employee who agree or strongly

agree that the physical work environment is not an impediment for doing their job well. The Organizational Climate Survey is conducted every two years with the most current survey conducted in February 2001.

Analysis of Results: NASS met its performance goal in ensuring an effective information resource management system that maximizes productive capability and facilitates communication for employees. However, there were no results available for evaluating NASS work environment and did not meet the FY 2000 target. A brief analysis is provided for each of the indicators for this performance goal:

- **Equipment Failures:** Of the 425 national reports published in the 2000 calendar year, there were no report due dates missed due to computer equipment failures in NASS during FY 2000.
- **Physical Work Environment:** No information was collected for this measure in FY 2000 as it was determined it would be most efficient to collect this information through the organizational climate survey.

Description of Plans and Schedules: The 2001 NASS Organizational Survey was conducted in February 2001 by the Survey Research Center at the University of Maryland, College Park, to evaluate employees' physical work environment. The survey was administered to all NASS employees including some State employees who work in NASS field office locations. The results and detailed analysis of the 2001 NASS Organizational Climate Survey will be published and distributed at the 2001 Leadership Workshop and to all NASS employees, and will be available upon request. Previous climate surveys were done in 1988, 1994, 1997, and 1999.

Current Fiscal Year Performance:

- **Equipment Failures:** Implementation of new security technologies and systems and continuous employee training on processing and using NASS systems is paramount in dealing with equipment failure. Procurement of some needed equipment has been delayed until FY 2002 due to budget constraints.
- **Physical Work Environment:** NASS Senior Management plans to use the results of the 2001 Organizational Climate Survey to assess needs for improvements regarding the physical work environment of employees. Continued improvements in the organization have been ongoing.

Program Evaluations: An internal Organizational Climate Survey Evaluation Team was chartered by NASS Senior Management in 1999. The team's task was to analyze the results of the 1999 Organizational Climate Survey and make comparisons, when applicable; assess the Agency's goals and priorities; and, make recommendations to NASS Senior Management in FY 2000. The team played a vital role in evaluating the questionnaire and providing input for the 2001 survey. The team has also articulated the NASS Core Value System and provided recommendations consistent with those values that will be important to everyone in making NASS "a great place to work."

RURAL DEVELOPMENT

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The Rural Development mission area was established on October 13, 1994, by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act. The mission area consists of three Agencies, the Rural Business-Cooperative Service (RBS), the Rural Housing Service (RHS), and the Rural Utilities Service (RUS). These agencies are responsible for delivering programs authorized by the Consolidated Farm and Rural Development Act; the Food Security Act of 1985; the Rural Electrification Administration Act of 1936 as amended; the Cooperative Marketing Act of 1926; the Agricultural Marketing Act of 1946; the Housing Act of 1949; and the Rural Economic Development Act of 1990, as amended.

The mission of Rural Development is to: "Enhance the ability of rural communities to develop, to grow, and to improve their quality of life by targeting financial and technical resources in areas of greatest need through activities of greatest potential."

This report addresses the performance goals included in the Rural Development FY 2000 and FY 2001 Annual Performance Plan, published March 29, 2000. The structure of this report varies slightly from the plan as the mission area's strategic plan, on which both documents are based, was revised in September, 2000. Primary revisions are changing Management Initiatives 1-3 have been changed to goals and Management Initiative 4 has been deleted.

The following chart identifies the 5 goals of the mission area strategic plan and the page number of this report where each goal is addressed in this report:

GOALS	PAGE *
1: Good Jobs and Diverse Markets. Rural Development will improve the quality of life in rural America by encouraging the establishment and growth of rural businesses and cooperatives.	2
2: Quality Housing and Modern Community Facilities. Rural Development will improve the quality of life of rural residents by providing access to technical assistance, capital, and credit for quality housing, and modern, essential community facilities.	7
3: Modern Affordable Utilities. Rural Development will improve the quality of life of rural residents by promoting and providing access to capital and credit for the development and delivery of modern affordable utility services.	13
4: Community Capacity Building. Rural Development will provide information, technical assistance, and, when appropriate, leadership to rural areas, rural communities and cooperatives to give their leaders the capacity to design and carry out their own rural development initiatives.	18
5. Effective, Efficient Service to the Public. Rural Development will develop the staff, systems, and infrastructure needed to ensure high quality delivery of its programs to all rural residents.	19

* Page numbers may vary slightly depending upon the printer being used.

Additional information on Rural Development and its programs can be found on the internet at the mission area's home page, <http://www.rurdev.usda.gov>. The mission area's long-range strategic plan and its Annual Performance Plan can also be found on the internet. From the home page, click on About Us and then click on Strategic Plans.

Only Federal employees were involved in the development of this report.

Goal 1: Good Jobs and Diverse Markets. "Rural Development will improve the quality of life in rural America by encouraging the establishment and growth of rural businesses and cooperatives."

MAJOR PROGRAM FUNDING: Rural Business-Cooperative Service	FY 1999 ACTUAL	FY 2000 * PROJECTED	FY 2000 ACTUAL
Business Programs	\$1.365b	\$1.022b	\$1.139b
Cooperative Development Programs	\$3m	\$16m	\$16m

* Amount of funding on which the targets were established. May not include all supplementals or recissions which occurred during the fiscal year.

Objective 1.1: Increase the availability and quality of jobs in rural areas.

Key Performance Goal and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Create or save jobs in rural areas.			
Number of jobs created or saved:			
B&I Guaranteed Loans	36,507	25,800	29,118
B&I Direct Loans	1,163	2,200	1,080
IRP Loans	25,245	29,300	29,266
Rural Business Enterprise Grants	11,464	10,800	9,550
Rural Economic Development Loans	3,783	3,700	2,967
Rural Economic Development Grants	1,677	600	1,521
Community economic benefits (millions)			
B&I Guaranteed Loans	\$3,109.2	\$2,125	\$2,568
B&I Direct Loans	\$65.3	\$125	\$75.5
IRP Loans	\$82.5	\$95.6	\$95.6
Rural Business Enterprise Grants	\$91.0	\$86.5	\$86.0
IRP dollars lent by intermediaries/IRP dollars obligated to intermediaries (cumulative since Program inception).	89.41%	75.0%	78.5%
Non-IRP funds leveraged for each dollar of IRP funds.	\$3.76	\$3.76	\$3.12
Number of businesses benefitting from RBEG program.	2,331	2,219	1,483
Non-RBEG funds leveraged for each dollar of RBEG.	\$2.40	\$2.40	\$1.12
Non-REDLG funds leveraged per dollar of program funds:			
Loans	\$3.00	\$3.00	\$4.56
Grants	\$3.00	\$3.00	\$7.16

2000 Data: Data comes from a variety of sources including: an internal management system, the Rural Community Facilities Tracking System (RCFTS); two internal accounting systems; the Program Loan Accounting System (PLAS) and the Guaranteed Loan System (GLS); Department of Labor employment estimates; and an external report, Revolving Loans for Rural America, by Robert Rapoza (the Rapoza report). Data is final and, unless otherwise noted here, considered sufficiently accurate to be used for management decisions. Reports from PLAS and GLS are used by the OIG in the development of the mission area's audited financial statement.

The number of jobs created or saved for the B&I guaranteed and direct programs, plus the RBEG program, is reported by the applicant/borrower and input into the RCFTS automated system by the field staff. The number of jobs created for REDLG is reported by the applicant/borrower and summarized by the National Office staff in the process of reviewing the loan or grant requests.

Determining the number of jobs saved and created for the IRP is much more difficult. These are loans made to an intermediary lender who then uses the funds to make loans to entrepreneurs. As the loan is repaid to the intermediary, the funds are used to make new loans to other entrepreneurs. In order to recognize the impact of the relending of funds for this program on jobs, the findings of the Rapoza report have been used. This report indicates on page 70, Table 17, that the average cost per job, or amount of IRP loan per job, \$4,278. This translates into 23,375 jobs per \$100,000 in loan funds invested in an intermediary lender. To maintain a conservative estimate of the number of jobs created or saved, we have used 22.5 jobs per \$100,000 invested. Table 13, page 68, of the Rapoza report indicates that the average term of an IRP loan to the ultimate recipient is 8.8 years. Since virtually all IRP loans to the intermediaries have a loan term of 30 years, the funds revolve 3.4 times during the term of the loan.

The community economic benefits are calculated by multiplying the program level by 2.5. This multiplier is based upon a study done for the Department of Labor by the Department of Commerce.

Analysis of Results: This goal was met. The FY 2000 target was exceeded by 975 jobs, or 1.3 percent. However, while the total number of jobs to be saved or created was achieved in totality, success in meeting the Agency's targets for the individual business programs varied.

The B&I Guaranteed Loan program and the RBEG program both surpassed their targets by nearly 13 percent. The B&I Direct Loan program achieved less than half of its goal as it utilized only \$30 million of the \$50 million available in FY 2000. Information on the achievement of the targets for these three programs is drawn from the RCFTS, which continues to have significant problems. Data is placed in RCFTS by the field staff as a part of their loan making and servicing efforts. The system lacks the edits needed to ensure all data fields are completed for each project and that the data placed in the system is reasonably accurate. During FY 2000, a concerted effort was made to increase the reliability of information in RCFTS. An unnumbered letter was issued to all field offices on April 25, 2000, defining the critical fields related to annual performance goals and discussing the importance of keeping RCFTS fully populated with current information. RCFTS was also discussed with the state office staff during monthly teleconferences. In addition, data from the Program Loan Accounting System (PLAS) was compared with data in RCFTS in an effort to reconcile loan obligations for this fiscal year between the two systems. This entailed reviewing borrower records in RCFTS and determining why the records were not being pulled in the report query. Field offices were called individually to discuss the problems found and the field staff asked to update the records. In spite of the diligent efforts to clean up the records in RCFTS, and even though RCFTS matches PLAS for obligation records, there are still a number of records without populated fields.

The target established for the IRP was essentially achieved. The target was 29,300 jobs and the achievement was 29,266 jobs, a shortfall of .1percent. The target for REDLG was exceeded by 4.4 percent.

Description of Actions and Schedules: The performance goal will be retained for FY 2001. Work is underway to replace the RCFTS with a new automated management system which will expand our ability to track the activity of third-party recipients which will be helpful in documenting program performance. The implementation date for establishing the new system is unknown. In the meantime, we will continue to monitor RCFTS and work with field offices individually, if necessary, to ensure there is a clear understanding on the importance of maintaining RCFTS. The unnumbered letter regarding updating critical fields for performance measures will be reissued. In addition, we will develop instructions to the field offices on updating fields in RCFTS. For example, field staff needs to know that when a grant is obligated, the number of jobs created or saved field should be completed. After the project is completed and a site visit is made, the number of jobs should be verified and updated in RCFTS.

Current Fiscal Year Performance: The demand for RBS programs increases from year to year. The agency will continue to promote the use of the B&I Direct Loan program in order to utilize all available funds. It is anticipated that all funds appropriated for business programs will be used in FY 2001.

Program Evaluations: GAO Report NSIAD-00-229, Trade Adjustment Assistance: Opportunities to Improve the Community Adjustment and Investment Program, dated August 29, 2000.

Objective 1.2: Encourage and promote the use of marketing networks and cooperative partnerships to increase and expand business outlets.

Key Performance Goal and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Assist marketing networks and cooperative partnerships in the establishment and expansion of business outlets.			
Number of Technical assistance and educational services provided.	215	200	205
Customer rated quality of technical assistance (0-5 rating scale).	3.0	3.0	3.5
Leverage of research expenditure (dollar value of RBS sponsored research per dollar of RBS research expenditures).	\$1.25	\$1.2	\$1.25
Research and educational materials provided to customers.	99,600	100,000	51,137
Number of responses to inquires for information.	16,500	15,000	16,000
Percentage of B&I Guaranteed funds obligated to cooperatives.	4.4%	20%	11%

2000 Data: Data is compiled from State reports, surveys, contracts let, shipment logs and customer service logs. The data is final. This information, while not audited, is considered sufficiently accurate to be used for management decisions.

Analysis of Results: This goal was met. All targets were met except "materials provided". This was due to the cessation of printing of Cooperative materials due to limited administrative budgets and the intent to provide documents to the public electronically.

Description of Actions and Schedules: Efforts are being made to establish a set publication budget to support the printing of sufficient materials needed for those that cannot access them electronically.

Current Fiscal Year Performance: Goals for 2001 are unchanged from 2000.

Program Evaluations: No GAO, OIG, or other formal program evaluations were conducted in FY 2000.

Objective 1.3: Direct Rural Development program resources to those rural communities and customers with the greatest need.

Key Performance Goal and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Direct Rural Development program resources to those rural communities and customers with the greatest need.			
Percentage of funds obligated in Empowerment Zones/Enterprise Communities and REAPs.			
B&I Guaranteed	1.3%	1.7%	2.0%
IRP	12.1%	19.0%	4.7%
RBEG	21.5%	20.0%	20.3%
Percentage of funds obligated for other Presidential or Departmental Initiatives.			
B&I Guaranteed	37.6%	10%	10.0%
IRP	48.0%	20%	75.9%
RBEG	48.8%	20%	71.2%
REDLG	47.3%	2%	70.9%
Cooperative service provided to poverty areas (number of impoverished or economically depressed counties in which service was provided).	N/A	75	N/A

2000 Data: Data is compiled from RCFTS, the Program Loan Accounting System (PLAS), and state surveys. PLAS, while not audited by OIG, provides reports used by OIG in their audit of the mission area's financial statement and information in PLAS is generally considered reliable. While data from RCFTS and state surveys is considered soft, it is considered sufficiently accurate to be used for management decisions. Information regarding the Rural Economic Area Partnership (REAP) zones was added to this statement because REAP zones were combined with Empowerment Zones and Enterprise Communities (EZ/EC) for FY 2000. (1999 actual data shown is for assistance to EZ/ECs only.) Data is not available on the number of cooperative services provided in poverty areas. It has been determined that meaningful and reliable data is not available for this goal and the goal will be dropped in future performance plans.

Analysis of Results: This goal was met. All targets were met except for the indicator related to usage of IRP funds in EZ/EC/REAP communities. The estimate (19%) was based on the percentage of the IRP appropriation earmarked for these targeted communities. All applications that were received before the June 30 deadline, and were eligible for the earmarked funds, were funded. However, in spite of Agency outreach efforts, the applications received were only enough to use 4.7 percent of the total funds available for the program.

The B&I Guaranteed Loan program met its goal for program delivery to EZ/EC's. The B&I Guaranteed Loan program also met its goal for spending on other Presidential and Departmental initiatives.

Description of Actions and Schedules: We will continue to stress the importance of IRP outreach to communities of greatest need to our State Offices through teleconferences, memorandums, training meetings, and other methods.

The EZ/EC and other initiatives are included as part of the Administrator's goals. Round 2 of EZ/ECs were eligible for earmarked funds for the first time in FY 2000 and we expect more of them to request assistance in FY 2001.

Current Fiscal Year Performance: Several EZ/EC IRP applications have been received to date for FY 2001. All performance indicators, except the one mentioned above that is being dropped, will be used in the FY 2001 and 2002 plans.

Program Evaluations: None.

Objective 1.4: Manage the loan portfolio in a manner that is efficient and effective.

Key Performance Goal and Indicator	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Manage the B&I portfolio effectively to minimize the delinquency rate.			
Delinquency rate (excluding bankruptcy cases)	4.8%	3.0%	4.2%

2000 Data: Data is reliable and final. RCFTS is a non-accounting management system which contains a variety of data related to Business Programs, such as the number of jobs created or saved. Data in RCFTS is input by the field staff and does not contain edits to verify the accuracy of the data. Manual reports from State directors will be used to obtain data regarding several of the performance measures. This information will be less reliable because it is obtained manually and its accuracy cannot be verified. However, confidence in this data is high enough to be acceptable for the purposes for which it is used. Therefore, the information is considered sufficiently accurate to be used for management decisions.

Analysis of Results: The Administrator's Priority FY 2000 Delinquency Goal was established at 3 percent for FY 2000. The delinquency achievement for this period was 4.2 percent (excluding loans in bankruptcy). While the goal was not met, there was a reduction from the FY 1999 delinquency level which was 4.8 percent (excluding loans in bankruptcy).

We were able to lower the delinquency percentage by adding an additional 270 guaranteed loans and by carefully monitoring the lending and servicing activities of the State offices. We are concerned with the potential rise in delinquencies for fiscal year 2001 and are presently employing various strategies to mitigate, to the extent possible, the delinquencies in both the guaranteed and direct programs.

Description of Actions and Schedules: The National Office is establishing individual delinquency goals based on the State's present achievement. In addition, a Review Team, comprised of experienced loan officers was established to review all loans where losses were paid or repurchases of loans were made in FY 2000. This review revealed a number of areas that require strengthening either through amendments to the current regulations or through in-depth training. Plans are presently underway to meet these needs.

Current Fiscal Year Performance: The National Office will monitor at least quarterly for achievement levels.

Program Evaluations: The National Office conducts a "Business Programs Assessment Review" of 10 states per year, to determine if the program intent is being properly met by interviewing both lenders and borrowers and by reviewing the State's loan processing and servicing activities. Areas found to be deficient are documented, recommendations for corrections are made and monitoring to ensure conformance is performed by National Office staff.

The Office of the Inspector General initiated a preliminary audit of the servicing activities in a cross section of states to determine the need for a complete audit. The information obtained from the States involved revealed the need for a full audit. This audit will be conducted during fiscal year 2001.

Goal 2: Quality Housing and Modern Community Facilities. Rural Development will improve the quality of life of rural residents by providing access to technical assistance, capital, and credit for quality housing and modern, essential community facilities.

MAJOR PROGRAM FUNDING: Rural Housing Service	FY 1999 ACTUAL	FY 2000 * PROJECTED	FY 2000 ACTUAL
Single Family Housing Programs	\$4.04b	\$4.50b	\$3.357b
Rural Rental Housing Programs	\$810m	\$902m	\$941m
Community Facilities Programs	\$278m	\$409m	\$302m

* Amount of funding on which the targets were established. May not include all supplementals or recissions which occurred during the fiscal year.

Objective 2.1: Improve the quality of life for the residents of rural communities by providing access to decent, safe, sanitary and affordable housing.

Key Performance Goal and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Provide access to credit for decent, safe, and sanitary housing.			
Total Units Sec. 502 Direct and Guaranteed 502 and Sec. 504 Loan and Grant	65,721*	77,653	58,018
Number of houses financed through the Section 502 Direct Loan Program	16,145	17,782	17,026
Number of houses financed through the Section 502 Direct Loan (Natural Disaster) Program	44	1,117	519
Number of houses financed through the Section 502 Guaranteed Loan Program	39,752	41,859	29,123
Number of existing houses improved (Section 504 Loans and Grants)	9,075	11,405	10,360
Number of existing houses improved (Section 504 Loans and Grants Natural Disaster)	321	5,490	990
Number of jobs created (Direct 502)	14,257	15,900	17,520
Number of jobs created (Guaranteed 502)	21,409	22,500	14,323

* Includes 384 Individual Water and Waste Disposal Grants

2000 Data: Data on the number of homes financed or improved came from Obligations Report 205 which is derived from Rural Development Finance Office obligation records, which are reliable and used by OIG in the development of the mission area's financial audit. The number of jobs created was based on a construction industry multiplier of 2,448 jobs per new home built. The multiplier, obtained from the National Association of Home Builders, is not subject to governmental audits. All data is final.

Analysis of Results: The goal and targets were not met for either the direct or guaranteed program. Target performance assumed full usage of the program funds which did not occur. The greatest shortfall occurred in the Section 502 Guaranteed Loan Program, which was 30% under the target for number of houses financed. This mirrors the general downturn of 27.7% in mortgage loan originations in the mortgage industry during 9 months in 2000, caused by higher interest rates (source: October 27, 2000, issue of *Inside Mortgage Finance*). Originations of Department of Veterans Affairs (VA) guaranteed loans fell by nearly 60% for FY 2000 vs. 1999, but after excluding refinancing activity, the purchase mortgages reflected a 28% drop which is more in line with the decline in the conventional market (source: October 23, 2000, issue of *National Mortgage News*). Originations for the Federal Housing Administration (FHA) also fell by 24% during the same time frame (source October 28, 2000, issue of *National Mortgage News*). Because RD and VA have the same Loan To Value (LTV) ratios (100% LTV), the Agency believes the SFH Guaranteed Loan program is more similar to the VA product than FHA. The lack of an automated underwriting tool is another major reason that the SFH Guaranteed Loan program is falling behind in loan production and it has become a significant issue for the program.

The Section 502 Direct Loan Program, excluding natural disasters, was only 3.5% below target. The average cost of a house was higher than anticipated, resulting in fewer houses financed with available funds. The Section 504 Loan and Grant Program was below target because full usage of the funds did not occur. The target for the Section 502 and 504 Natural Disasters program was based on the funding level, whereas actual performance results from the unpredictable occurrence and impact of natural disasters. The unused funds in this program remain available for future years. The 36 percent shortfall in the number of jobs created by the Guaranteed 502 Program reflects the 30 percent decline in loan originations in this program, and a slight shift from new/build to existing home purchases.

Descriptions of Actions and Schedules: Efforts are underway to improve the acceptance of USDA guaranteed mortgages by the mortgage origination and investment industry by increasing their similarity to other governmental insured or guaranteed mortgages.

Current Fiscal Year Performance: All current performance indicators for this goal will continue for FY 2001. RHS will continue to monitor performance progress quarterly and take necessary and appropriate actions in the event performance is less than expected.

Program Evaluations: GAO Report RCED-00-24, Rural Housing: Options for Optimizing the Federal Role in Rural Housing Development, dated September 15, 2000. GAO Report AIMD-00-286R, Credit Reform: Improving Rural Development's Credit Program Cost Estimates, dated August 22, 2000.

A copy of these audits may be obtained by contacting USDA's OIG.

Key Performance Goals and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Provide access to decent, safe, sanitary and affordable rental housing.			
Total Number of new units built (FY)	5,351	5,668	5,357
Sec. 515	2,189	1,487	1,626
Sec. 514/516	622	719	680
Sec. 514/516 Natural Disaster	0	169	156
Sec. 538	2,540	3,293	2,895
Total Number of units rehabilitated (FY)	4,736	5,428	7,100

Sec. 515	2,340	3,694	4,990
Sec. 514/516	626	400	696
Sec. 533	1,770	1,334	1,414
Direct resources to those rural communities and customers with the greatest need.			
Average tenant income.	\$7,671	Not Estab- lished	\$7,775
Income of tenants who do not receive Rental Assistance.	Not yet available	Not yet available	Not yet available
Income of tenants who receive Rental Assistance.	Not yet available	Not yet available	Not yet available
Number of tenants who are rent overburdened.	Not yet available	Not yet available	Not yet available
Number of households not displaced by loss of rental assistance (number of renewals).	38,311	41,800	38,489
Percent of tenants not displaced by loss of rental assistance.	100%	100%	100%
Additional tenants living in affordable, decent, safe, and sanitary housing.	4,046	718	1,668
Percentage of projects that reflect racial/ethnic demographics of local area.	Not yet available	Not yet available	Not yet available

2000 Data: The number of new units built and the number of units rehabilitated were derived from Multi-Family Housing staff's internal records, which are not audited but are considered reliable for management purposes. The data on rental assistance was obtained from the 205 Obligations Report, which is subject to audit by OIG. System development needed to provide data for those indicators showing "Not Yet Available" was nearly completed at the end of FY 2000. Data for most of these indicators should be available in the next fiscal year. The final indicator related to projects reflecting racial/ethnic mix of the local area will be dropped in the future plans. It is unlikely data will be available for this indicator in the foreseeable future. The data is final.

Analysis of Results: Success in meeting the targets was mixed, however, overall the goal was met. Targets for the number of units rehabilitated were exceeded for the Section 515 Rural Rental Housing Loan Program and the Section 514/516 Farm Labor Housing Loan and Grant Program and the Section 533 Housing Preservation Grant Program. The number of new units built was below target for Section 515 and Section 514/516, reflecting a shift of funds to the much needed rehabilitation of existing units. The Section 514/516 Natural Disaster program was slightly under target because a small amount of the funds was not obligated. The Section 538 Rural Rental Guaranteed Loan Program was below target because the average unit cost was higher than anticipated, resulting in fewer units financed with available funds. The number of households not displaced by loss of rental assistance (number of renewals) was slightly below target because the number of actual renewals was less than projected due to several factors: tenant income, vacancies, etc. No tenants were displaced by loss of rental assistance. The rental assistance (RA) not needed for renewals was used for additional RA units in existing and new MFH projects.

Description of Actions and Schedules: Target performance will be established for the various tenant income indicators when data becomes available from the new Multi-Family Tenant File System, currently scheduled to be completed by the end of 2001.

Current Fiscal Year Performance: RHS will monitor performance progress quarterly and take necessary and appropriate actions in the event performance is less than expected.

Program Evaluations: OIG Audit (04801-006-KC), Rural Rental Housing Program Insurance Expenses, dated November 5, 1999. GAO Audit (RCED-00-241), Rural Housing: Options for Optimizing the Federal Role in Rural Housing Development, dated September 15, 2000.

Objective 2.2: Improve the quality of life in rural America by providing essential community facilities.

Key Performance Goal and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Provide new or improved essential community facilities			
Number of rural residents with improved standards of living through new or improved essential community facilities (in millions).	8	11	8.1
Number of jobs created or retained.	9,600	13,500	4,493
<i>Community Health</i>			
Number of new or improved health care facilities.	123	173	116
Number of new or improved elder care facilities	42	59	32
Number of beds available at new or improved elder care facilities.	4,932	6,950	2,558
Number of new or improved health care facilities in medically underserved areas.	36	51	43
<i>Emergency Services</i>			
Number of new or improved fire and rescue facilities.	72	101	104
Number of new or improved fire and rescue vehicles.	140	195	128
<i>Education and Child Care</i>			
Number of new or improved child care centers.	69	97	55
Number of children served by new or improved child care centers.	5,628	7,900	4,049
Number of new or improved schools.	32	44	44

2000 Data: Community Facility Program data were derived from the Community Facility staff's internal tracking system in unison with the Rural Community Facilities Tracking System (RCFTS). The RHS field staff inputs the data into RCFTS and it does not contain edits nor is it audited or reports from it used by the auditors. Although the agency considers this soft data, it is used in managing the program and is considered reliable for the purposes for which it is used. The data is final.

Analysis of Results: Target performance assumed full usage of the program funds, which did not occur. As a result, the targets were generally not achieved and the goal was not met. CF direct loans and CF grants were fully obligated, however, only 47 percent of guaranteed loans were utilized. Last year's efforts to provide training and tools for field staff members to market CF guaranteed loans at the local level have proven successful. During the first four months of FY 2001, \$47.5 million in guaranteed loans were obligated as compared to \$6.8 million during the same period in FY 2000. States are actively conducting outreach meetings with local lenders to promote the program.

The performance indicators for the Community Facilities programs are difficult to predict because the outcomes depend on the mix of projects funded. Program funds have been used for more than 80 different purposes, including child care centers, assisted living facilities, hospitals, health clinics, fire stations, libraries, telecommunications, school facilities, community buildings, and industrial parks. The mix of projects funded depends on community needs across the country and the timing of loan and grant applications. The FY 2000 variance of actual performance compared with the targets reflects the unpredictability of the project mix and is no cause for alarm. A review of the previous two fiscal years activity shows that these indicators do not move in unison with the program levels.

In FY 2000, CF invested approximately \$296 million to help rural communities develop 717 essential community facilities for public use and \$6 million for the Rural Community Development Initiative (RCDI) grant program. Through leveraging with both public and private partners, program funds were stretched to address the needs of more rural communities. Community health care services, fire, rescue and public safety, and community support services continue to be a high priority for funding in addressing the needs of rural communities.

In FY2000, program emphasis was placed on promoting rural education. As a result, 57 projects were funded for schools and libraries amounting to almost \$30 million from combined CF programs. This included funding for libraries, schools for people with mental or physical disabilities, teacher housing, dormitories, school maintenance and equipment service centers, and all-purpose college campus buildings.

Program resources in FY 2000 continue to invest heavily in rural health care facilities as \$108 million in combined program resources were used to fund 116 new or improved health facilities, from which seniors and residents in medically under-served areas greatly benefit. Projects funded include nursing homes, boarding homes for elderly with ambulatory care, assisted living facilities, and adult day care centers. Program emphasis will continue to serve the ever-increasing rural elderly population.

Community Programs staff successfully implemented the Rural Community Development Initiative (RCDI) grant program. In its first year of funding, RCDI provided \$6 million in grants to 20 intermediaries located across the nation. Funds are used to develop the capacity and ability of nonprofit organizations and low-income rural communities to improve housing, community facilities, or community and economic development through a program of technical assistance.

Developing reliable performance data for the performance indicator "Number of new or improved health care facilities in medically underserved areas" has been especially difficult due to problems in identifying medically underserved counties. This performance indicator will not be included in future performance plans.

Description of Actions and Schedules: RHS will continue efforts to increase utilization of Community Facility Guaranteed Loan Program funds through extensive outreach to lenders. During FY 1999 and 2000 efforts were made which are starting to produce results. Outreach efforts have continued through meetings with local lenders, training States on conducting outreach meetings, and issuing CD's to States on the outreach efforts at the training meeting.

Current Fiscal Year Performance: RHS will monitor performance periodically, and take any corrective action needed. All performance indicators, except for the one mentioned above, will be included in the next performance plan.

Program Evaluations: GAO Audit HEWS-00-163, Charter School Facility Financing, dated September 12, 2000. GAO Audit RCED/GGD-00-220, Economic Development: Multiple Federal Programs Fund Similar Economic Development Activities, dated August 8, 2000.

Objective 2.3: Maximize the leveraging of loan funds to increase the number of rural residents assisted by Rural Development programs.

Key Performance Goal and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Maximize the leveraging of loan funds to increase the number of rural residents assisted by Rural Development programs.			
Number of borrowers assisted through leveraging (Direct 502).	5,371	5,500	6,448
Number of Guaranteed lenders participating in low-income housing finance.	1,147	1,721	2,400
Number of Rural Home Loan Partnerships.	78	150	177
Number of CF funding partnerships.	565	796	866
Number of CF borrowers assisted through leveraging.	429	605	492

2000 Data: The actual performance data for the Direct Section 502 program comes from the Single Family Housing staff's internal tracking system, while data on Guaranteed Section 502 comes from a FOCUS ad hoc report. The Community Facility Program data were derived from the Rural Community Facility Tracking System (RCFTS). As indicated several times in this Report, RCFTS data is considered to be soft, but reliable. It is not audited nor are reports from RCFTS used by the auditors. The data is final.

Analysis of Results: The performance goal was met. All targets were exceeded, with one exception. Although the number of CF borrowers assisted through leveraging was below target, the actual FY 2000 performance exceeded FY 1999 performance by 15%. Even though the total number of lenders approved to participate in the SFH Guaranteed Loan program increased, the total number of loans originated nationwide decreased, which was a reflection of the mortgage business as a whole. The lack of an automated loan origination system is another reason that the SFH Guaranteed Loan program is falling behind in loan production and it has become a significant issue for the program.

Description of Actions and Schedules: No corrective action is necessary.

Current Fiscal Year Performance: RHS will monitor performance periodically. All performance indicators will be included in the next performance plan.

Program Evaluations: None conducted during FY 2000.

Objective 2.4: Manage the loan portfolio in a manner that is efficient and effective.

Key Performance Goal and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Provide effective supervision to minimize delinquencies and future loss.			
First-year delinquency rate (SFH Direct).	5.3%	4.8%	3.2%
Number of RRH projects with accounts more than 180 days past due.	164	130*	153**

* Does not include properties in inventory.

** Includes 18 properties in inventory.

2000 Data: Data were derived from Rural Development Finance Office loan servicing reports, which are reliable and used by OIG in their audits of the mission area. The SFH first-year delinquency rate, as of September 30, 2000, was obtained from a FOCUS ad hoc report. The RRH delinquency data come from a 616 report, and includes 18 properties in inventory. The data is final.

Analysis of Results: The performance goal was met. The target was exceeded for the first-year delinquency rate for Single Family Housing Direct loans. Substantial progress was also made in reducing the number of Rural Rental Housing projects with accounts more than 180 days past due. This number was reduced from 164 RRH projects in FY 1999 to 153 in FY2000. When the target was set, inventory properties were excluded. Program managers have determined this was inappropriate and included the number of inventory properties in the actual result. Inventory properties will be included in future targets. (Note: Rural Development's FY 2000 and FY 2001 Performance Plan erroneously stated the performance indicator for RRH as less than 180 days past due, rather than more than 180 days past due.)

Description of Actions and Schedules: No special corrective action is necessary.

Current Fiscal Year Performance: All current performance indicators for this goal will continue for FY 2001. RHS will continue to monitor performance progress at least quarterly and take necessary and appropriate actions in the event performance is less than expected.

Program Evaluations: None conducted in FY 2000.

Goal 3: Modern Affordable Utilities. "Rural Development will improve the quality of life of rural residents by promoting and providing access to capital and credit for the development and delivery of modern affordable utility services."

MAJOR PROGRAM FUNDING: Rural Utilities Service	FY 1999 ACTUAL	FY 2000 * PROJECTED	FY 2000 ACTUAL
Water and Environmental Programs	\$1.301b	\$1.287b	\$1.318b
Telecommunications Programs	\$461m	\$670m	\$670m
Distance Learning and Telemedicine Programs	\$68m	\$220m	\$25m
Electric Programs	\$1.556b	\$2.115b	\$2.117b

* Amount of funding on which the targets were established. May not include all supplementals or recissions which occurred during the fiscal year.

Objective 3.1: Provide financing for modern, affordable, water and waste disposal services in rural communities.

Key Performance Goal and indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Provide rural residents with modern, affordable water and waste services.			
Rural water systems developed or expanded which provide quality drinking water in compliance with the Safe Drinking Water Act.	579	590	590
Rural waste disposal systems developed or expanded which provide quality waste disposal service in compliance with State and Federal environmental standards.	328	334	325
Total jobs generated as a result of facilities constructed with W&W funds.	33,017	34,839	39,771
Rural people receiving safe, affordable drinking water from water systems financed by W&W loans and grants.	1,314,012	1,340,000	N/A
Rural people served who did not previously have public water service (includes Water 2000 projects).	748,776	763,000	N/A
Rural people receiving safe, affordable waste disposal service through waste disposal systems financed by W&W loans and grants.	583,559	595,000	N/A

2000 Data: This data is final and considered reliable. Information for the first two measures are taken from the Program Loan Accounting System (PLAS). Reports from this system are used by OIG in their audit of the mission area. The jobs generated data is determined using a methodology devised by the Bureau of Labor Statistics and the USDA Economic Research Service. The basic formula is 23 jobs per \$1 million of funds invested, including non-RUS funds invested through leveraging.

During FY 2000, OIG started an audit of Rural Development's annual performance report for FY 1999. They identified problems with the methodologies used to estimate the targets for the last three measures. Therefore, actual data for these indicators, based upon the methodologies used to estimate the target, is not available since they cannot be considered reliable. These measures will not be included in future performance plans unless new methodologies are established.

Analysis of Results: The performance goal was basically achieved as one indicator exceeded the target, one met, and one indicator was slightly under the target. Funds for this program can be used for various purposes related to the providing of water and waste disposal systems. There is a wide variation in the cost of the projects funded and RUS has limited control over the type and size of the projects to be funded in a given year.

Current Fiscal Year Performance: There is a significant backlog of applications waiting to be funded and therefore the targets for fiscal year 2001 are expected to be met. With the exceptions mentioned above, the remaining three indicators reported on in this Report will be included in RD's FY 2001 and 2002 Performance Plan.

Program Evaluations: None.

Objective 3.2: Provide financing for modern, affordable telecommunications, including Distance Learning/Telemedicine services, in rural communities.

Key Performance Goal and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Provide modern, affordable telecommunications services to rural communities.			
Number of new residents and businesses receiving service.	170,000	247,000	154,899
Jobs generated as a result of facilities constructed with Telecommunication funds.	10,603	15,400	15,410
Schools receiving transmission facilities for Distance Learning applications.	15	22	N/A

2000 Data: Data related to the number of new residents and businesses receiving service comes from project files on the loan applications received. While this data does not come from an automated system, it is centrally maintained and is considered reliable by management. The jobs generated data is determined using a methodology devised by the Economic Research Service. The basic formula is 23 jobs per \$1 million of funds invested.

During FY 2000, OIG started an audit of Rural Development's Annual Performance Report for FY 1999. They determined reliable data was not available for the last indicator, therefore, an actual number is not included since its reliability would be questionable. This indicator will not be included in future performance plans.

Analysis of Results: The performance goal overall was not met. The target for jobs generated was exceeded. The target for number of new residents and businesses receiving service was not met in part due to a downward adjustment in a multiplier used to measure the average number of persons per household.

Description of Actions and Schedules: RUS is taking actions to ensure that the total funds available for FY 2001 will be used and the targets will be met. These actions include enhanced outreach activities by RUS staff and Rural Development State Offices.

Current Fiscal Year Performance: The auditors reviewing Rural Development's FY 1999 Annual Performance Report stated that the indicator, "Number of new residents and businesses receiving service", was slightly misleading as written and questioned the methodology for determining the number of residents served. In the next Annual Performance Plan, this measure will read "Number of new subscribers served". A new performance indicator, Number of subscribers with new improved service, will be added. All targets for FY 2001 will be based on full utilization of funds and are expected to be met.

Program Evaluations: OIG Report Number 09016-001-TE, Telephone Loan Program Policies and Procedures, dated February 2, 2000.

Key Performance Goal and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Provide distance learning and telemedicine services, utilizing modern telecommunications technologies, to rural communities.			
Number of schools receiving distance learning facilities.	287	1,800	277
Number of health care providers receiving telemedicine facilities.	131	3,130	138
Number of rural residents and businesses receiving education or training over distance learning facilities (in			

millions).	0.2	2.8	N/A
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2000 Data: This data is obtained from RUS program records of projects funded, applications received, and although not part of an automated system, is considered reliable for management purposes. This data is final.

During the audit of Rural Development's Annual Performance Report for FY 1999, started by OIG in FY 2000, OIG determined reliable data was not available for the third indicator, therefore, an actual number is not included since its reliability might be questionable. This indicator will not be included in future performance plans since reliable data is not readily available and cannot be obtained at a reasonable cost.

Analysis of Results: The Performance goal, as measured by the targets, was not met. Target performance assumed full usage of all funds available and this did not occur. While all grant funds were used, only \$6 million of the \$200 million of loan funds available were obligated. Revisions to this relatively new program, to increase the use of loan funds, were implemented in FY 2000 but not in time to allow the targets to be met.

Description of Actions and Schedules: Program revisions are now in place and are expected to have an impact in FY 2001 including purposes for which loan funds can be utilized and a new expedited application review process. In addition, expanded outreach activities by the National Office and Rural Development State Offices will be implemented.

Current Fiscal Year Performance: RUS' targets for FY 2001 are based on full utilization of funds and are expected to be met.

Program Evaluations: None.

Objective 3.3: Provide financing for modern, affordable electric service to rural communities.

Key Performance Goal and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Provide modern, affordable electric service to rural residents and communities.			
Number of rural electric systems upgraded.	179	200	137
Number of consumers benefitting from system improvements (millions).	2.8	3.1	2.3
Jobs created as a result of facilities constructed with Electric funds.	36,018	48,600	48,700

2000 Data: The data is obtained from RUS program records of projects funded and applications received and is considered reliable for management purposes. This data is final.

Analysis of Results: Although all program funds were obligated, the targets, except for the jobs created, were not met. Program funds are used for a variety of purposes related to providing electric service in rural communities. The size of loans varies substantially and RUS generally funds projects on a first-come, first-served basis. The anticipated average loan size is an important factor in setting the targets and in FY 2000 the average loan size was larger than anticipated. Since the full amount of funding available was obligated, larger loans resulted in fewer loans and therefore fewer systems and fewer consumers impacted. However, since all available funds were utilized, a fair assessment is that the performance goal was achieved even though the targets were not met.

Description of Actions and Schedules: No additional action is necessary to meet the FY 2001 target.

Current Fiscal Year Performance: Performance for FY 2001 is expected to be sufficient to meet targets. No change is planned in the performance indicators.

Program Evaluations: GAO Report AIMD-00-288, Impact of RUS Electric Loan Restructurings, dated September 2000. OIG Report 09601-1-Te, Electric Generation and Distribution Borrower Investments, dated March 13, 2000.

Objective 3.4: Direct Rural Development resources to those rural communities and customers with the greatest need.

Key Performance Goals and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Direct program resources to those rural communities with the greatest need.			
Number of water and waste assistance projects in the identified persistent poverty counties	247	252	219
Total W&W project cost	\$298m	\$315m	\$341m
RUS amount	\$257m	\$246m	\$249m
<i>Special initiative - number of projects and amount of W&W funding (in millions)</i>			
EZ/EC	28 (\$21)	73(\$35)	33(\$46)
Colonias	38 (\$22)	38 (\$20)	36(\$19)
Pacific Northwest	34 (\$32)	0	0
Alaskan Villages	14 (\$29)	24 (\$20)	24(\$19.40)
Guaranteed Loans	7 (\$5.8)	49 (\$75)	9(\$11)
Electric loans (number and amount) to clients serving persistent poverty counties (dollars in millions).	72 \$538	84 \$889	72 \$615
Electric loans (number and amount) to clients serving persistent out-migration counties (dollars in millions)	83 \$379	84 \$889	73 \$321

2000 Data: This data is considered highly reliable and is final. The counties are identified by the Economic Research Service based on census and economic data and is updated periodically. For Electric programs, the data is based on information contained in the approved loan application regarding the service area for the system.

For Water and Waste, the data comes from the Program Loan Accounting System (PLAS), the Guaranteed Loan System (GLS) and the Rural Community Facilities Tracking System (RCFTS). Except for RCFTS, these systems are designed to manage the agency's portfolio of direct and guaranteed loans. They contain a variety of edits to minimize the risk of inaccurate data being placed in the systems. Reports generated by these systems are used by OIG as part of their development of an audited financial statement. RCFTS is a non-accounting system and does not contain the edits of the accounting system.

Analysis of Results: Overall the goal was met, although, success in meeting individual targets was mixed. Actual performance for Electric Loans was slightly under the target for FY 2000. This was a result of fewer loans being made for larger dollar amounts per loan. Since fewer loans were made, fewer counties were affected. All available funds were obligated. Water and Waste met or exceeded all of the targets, except for EZ/ECs and Guaranteed

Loans. For both persistent poverty and EZ/ECs, the dollar target was exceeded, but not the number of loans. This is a function of the size of the loan application which the Agency has no control over.

Description of Actions and Schedules: No specific additional actions are necessary to meet the goal for FY 2001. Achievement of target levels is a function of available funding and the number and dollar amount of applications received that meet RUS criteria.

Current Fiscal Year Performance: Performance in FY 2001 is expected to be similar subject to funding levels, number and dollar amount of applications received.

Program Evaluations: GAO Report AIMD-00-288, Impact of RUS Electric Loan Restructurings, dated September, 2000. OIG Audit Report 09601-1-Te, Electric Generation and Distribution Borrower Investments, dated March 13, 2000.

Objective 3.5: Maximize the leveraging of loan funds to increase the number of rural residents assisted by Rural Development programs.

Key Performance Goal and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Maximize the leveraging of loan funds to increase the number of rural residents assisted.			
Leveraging of telecommunications financial assistance (private investment to RUS and RTB funding).	\$5.22:1	\$5.00:1	\$6.51:1
Leveraging of telemedicine and distance learning financial assistance (private investment to RUS funding).	\$1.45:1	\$2.00:1	\$1.21:1
Leveraging of rural electric financial assistance (private investment to RUS funding).	\$2.70:1	\$2.73:1	\$2.88:1

2000 Data: This data is derived from RUS records, is verifiable, and is final. The telecommunications leverage ratio is available from RUS Form 479, Part F. This information is provided by RUS and is considered reliable.

Analysis of Results: The purpose of leveraging funds with the private sector is to stretch limited program funds and this purpose was achieved. The targets related to telecommunications and electric power were met. The target related to telemedicine and distance learning was not met but the impact of this result is not significant. As indicated earlier, the demand for loan funds for this program has been less than the supply of funds. Continuing these indicators is important because leveraging will be more important in future years as these programs grow. The performance goal was met.

Description of Actions and Schedules: RUS is increasing its outreach activities to the telemedicine and distance learning programs. As the requests for loan funds increase, the interest of private lenders in the program is also expected to increase.

Current Fiscal Year Performance: RUS expects to fully utilize the total funds available for FY 2001 and expects to meet the leveraging targets.

Program Evaluations: None conducted.

Goal 4: Community Capacity Building "Rural Development will provide information, technical assistance, and, when appropriate, leadership to rural areas, rural communities and cooperatives to give their leaders the capacity to design and carry out their own rural development initiatives." (Note: This goal was called Management Initiative 1 in the FY 2000 and 2001 Annual Performance Plan.)

MAJOR PROGRAM FUNDING: Community Development	FY 1999 ACTUAL	FY 2000 PROJECTED	FY 2000 ACTUAL
Rural Empowerment Zone and Enterprise Community	\$0	\$30m	\$17m

Key Performance Goals and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Increase the Capacity of Rural Communities and Their Leaders			
Rural communities that apply for non-USDA Rural Development assistance to implement their community plans.	612	400	676
Partnerships built that implement a technical assistance network for communities within each state.	N/A	235	233
Jobs created or saved in EZ/EC and REAP communities.	2,288	1,000	3,354
Maximize Resources Available in EZ/EC's.			
Ratio of non-EZ/EC grants to EZ/EC grants	8.4:1	7:1 or greater	10.7:1

2000 Data: The data for the first two indicators is usually self-certified by the State Directors and input via the annual Administrator's priority performance goal. The requirement was waived this year so the data was gathered via a query to the States Offices. Information regarding job creations and the success of EZ/EC communities in obtaining funding from non-EZ/EC sources is derived from the Office of Community Developments benchmark management system. The EZ/EC program requires that a set of performance benchmarks be established and maintained for each EZ/EC community. Each community reports on their progress in meeting the benchmarks through this web-based benchmark system. While the system is dependent upon data input by the recipients of the assistance, the data in the system is considered sufficient for management decisions. All information is final.

Analysis of Results: All indicators were met or exceeded and the performance goal was achieved.

Description of Actions and Schedules: None planned.

Current Fiscal Year Performance: The performance goals and indicators will be retained for FY 2001. Performance in FY 2001 is expected to be similar subject to adequate funding being received. Although the FY 2000 goals were exceeded, The Office of Community Development (OCD) is responsible for a third round of EZ program competition this year and believes this will affect resources available for other activities.

Program Evaluations: None.

Goal 5: Effective, Efficient Service to the Public "Rural Development will develop the staff, systems, and infrastructure needed to ensure high quality delivery of its programs to all rural residents." (Note: This goal incorporates Management Initiatives 2, 3 and 4 (partially) in the FY 2000 and 2001 Annual Performance Plan.)

Objective 5.1: Create and sustain a work environment that develops and fosters partnerships, cooperation, full and open communications, teamwork, mutual respect, and maximum individual development.

Key Performance Goals and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Developed policies and practices which are employed and family friendly.			
Implementation of new policies and practices related to work schedules and leave.	N/A	Obtain Partnership Council approval and provide training as needed	Council approval was obtained for three policies: Hours of Duty, Telecommuting, and Leave. Hours of Duty was finalized and implemented. Training was conducted via teleconference.
Provide fair and equitable treatment to all customers			
Implement annual civil rights training for employees	Done	Ongoing	68% of employees trained
Reduce backlog of Program and EEO complaints	36% Program and 75% EEO	25%	38% Program and 34% EEO

2000 Data: Information regarding the development of personnel regulations came from the files of the Human Resources staff. The information related to civil rights training and EEO complaints is provided by the civil rights staff. Information on the program complaints is provided by the State Civil Rights Managers. All information is final.

Analysis of Results: The performance goals were achieved. The policies on Hours of Duty, Telecommuting, and Leave were developed as common administrative policies in cooperation with the other USDA service center agencies, the Farm Services Administration (FSA) and the National Resources Conservation Service (NRCS). All three policies won conceptual approval from the RD partnership Council. Hours of Duty was finalized and implemented. This policy allows for a variety of family/employees friendly work schedules, including "compressed" and "maxiflex" schedules. Feedback from field employee organizations has been very positive.

The EEO indicators show Rural Development reduced its backlog by securing a 100% rate of findings of no discrimination from the EEOC and Final Agency Decisions from the Department's Office of Civil Rights. Resolution activity for formal EEO complaints, which comprise our backlog, was lower in 2000 as a result of the aggressive 80% resolution rate for informal complaints. While most of the complaints that enter the formal stage are difficult to resolve and may lack merit, they must be processed through the EEOC.

Description of Actions and Schedules: Telecommuting agreements with individuals employees have been implemented as a practice on a case by case basis mission area wide. The final Telecommuting policy is in the issuance clearance system. The Leave policy is being redrafted to incorporate recent legislation and Executive orders promoting family friendly leave program changes.

Rural Development focused a lot of time and attention launching the online Civil Rights training, which 655 of our employees have completed in spite of serious system malfunctions when the training initially began. All employees will complete this training during 2001.

Current Fiscal Year Performance: It is anticipated that both the Telecommuting policy and the Leave policy will be issued and implemented in FY 2001. Training will be provided as needed.

Resolutions of complaints will likely be low because related costs are paid from the State Directors' budgets, rather than the National Office's budget. We continue to strongly encourage resolution of complaints with merit as early in the process as possible .

Program Evaluations: None.

Objective 5.2: Develop information systems which support cost-effective delivery of programs and maximize the availability of information to all employees.

Key Performance Goal and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Enhance and build information systems which support the mission area's programs.			
Implement an operational new Guaranteed Loan System (GLS).	Phase I completed.	Phase II, III. & IV completed. Phase V Funds Reservation system completed.	Phase II, III. & IV completed Phase V Funds Reservation system completed.
Develop Program Funding Control System (PFCS)	Reviewed NFC and other USDA systems plus completed cost analysis.	Request for Proposal under development.	Request for Proposal Completed. COTS products evaluated.

Operationalize the Community Utilities and Business System	40% operational	60% operational	Effort evaluated, halted, and to be incorporated into a new effort.
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2000 Data: Actual performance is based on measurable project accomplishments as established and monitored by the Information Technology staff. There are no variance to consider and the assessment of results is accurate. The assessment of results, although not audited, is considered by management to be reliable. Information is final.

Analysis of Results: The performance goal was met with achievement of the targets for the GLS and PFCS. Work on the design and development of the Community Utilities and Business System was evaluated and a decision made to terminate the contract. This work is being transferred to a new project effort. This indicator, as written, will be discontinued.

Description of Actions and Schedules: A new performance indicator for the effort previously included in the Community Utilities and Business System will be defined once the transfer is completed.

Current Fiscal Year Performance: Targets related to the continuing development of both the GLS and PFCS will be included in the Annual Performance Plan for 2001.

Program Evaluations: None.

Objective 5.3: Improve financial management to ensure fiscal accountability.

Key Performance Goals and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY2000 ACTUAL
Manage the Mission Area's Financial Resources Efficiently and Effectively			
Implementation of EFT in compliance with DCIA requirements	32%	50%	53%
Credit Reform - % of programs with clean opinion from OIG	0%	100%	16%
Implement Foundation Financial Information System (FFIS)	None	Follow USDA OCFO guidelines and schedules for implementation.	Completed. Operational on October 1, 2000.

Reach management decision on OIG financial management audit recommendations within 6 months of audit report issuance	90%	90%	90%
Percent of material FMFIA deficiencies corrected timely	N/A	50%	75%
Obtain clean and timely audit opinion on audited financial statements	Qualified	Obtain clean opinion	Qualified

2000 Data: The data comes from the systems and files of the Chief Financial Officer and is final. The percentage of EFT disbursements is based on the percentage of the number of EFT disbursement to the total number of all disbursements made during FY 2000. The percent of programs with a clean opinion from OIG is related to the guaranteed loan portfolio. Based on Rural Development's FY 1999 financial statements, guaranteed loans represent approximately 16% of the dollar value of Rural Development loan portfolio. The final indicator related to obtaining a clean opinion on the financial statement, is preliminary pending completion of the audit by OIG. It is assumed, however, that the opinion will again be qualified based on existing unresolved credit reform concerns of the OIG.

Analysis of Results: Success in achieving the goal is mixed. Software has been implemented to disburse funds electronically (EFT). Rural Development anticipates the percent of EFT disbursements will increase as programs adopt the practice of using EFT. The mission area implemented the Department's FFIS integrated financial management system for its salary and expense appropriation. The established target for obtaining a management decision within 6 months on 90 percent of the audits issued was also met for FY 2000. The performance indicator "percent of material FMFIA material deficiencies corrected timely" was targeted for 50 percent in FY 2000 and the actual was 75 percent.

The indicators related to credit reform were not met and this is resulting in a qualified financial opinion. Rural Development is one of a number of agencies struggling to develop more reliable credit reform models required to calculate subsidy rates. A task force consisting of several USDA agencies, the Departmental CFO, and OIG are jointly working to develop improved cash flow models. The development of these improved cash flow models should lead to an unqualified audit opinion.

Description of Actions and Schedules: The credit reform task force has developed a project plan to resolve the credit reform issues by the end of FY 2001. OIG has stated that they are lifting the credit reform qualification for guaranteed loans in Rural Development's FY 2000 audited financial statements. Rural Development anticipates obtaining a clean opinion only for the guaranteed loan programs. Rural Development has completed two of three models required to calculate subsidy rates. Approval was obtained from OMB, GAO and OIG in FY 2000. Additionally, Price Waterhouse Cooper has a contract to assist in developing Rural Development housing cash flow needs.

Current Fiscal Year Performance: All indicators will be included in the FY 2000 Annual Performance Plan.

Programs Evaluation: OIG Audit 85401-001-FM, Audit of FY 1999 Rural Development Financial Statement, dated February 22, 2000. Rural Development completed a Federal Managers' Financial Integrity Act (FMFIA) Compliance Review of the Guaranteed Loan System (GLS), dated July 31, 2000.

When the mission area's strategic plan was reviewed and updated in September, 2000, three of the Management Initiatives in the Strategic Plan for 1997-2000 were converted to goals 4 and 5, as noted and discussed above.

Management Initiative 4 was eliminated. It is included here for reporting purposes only but will be discontinued in future performance plans.

Management Initiative 4: Quality Customer Service. Rural Development will foster and continually strengthen an internal culture that focuses on and is drive by customer needs, both internally and externally, systematically acts to make internal processes and individual actions responsive to the needs of customers, and assures that all customers and employees are treated fairly, equitable, and with dignity and respect.

Key Performance Goal and Indicators	FY 1999 ACTUAL	FY 2000 TARGET	FY 2000 ACTUAL
Obtain Feedback from Program Customers			
Business and Industrial Loans	N/A	Reconcile survey findings to program operations.	Developed and published for comment REDLG regulations written in plain language
Cooperative Services	Surveyed	Survey	Surveyed
Single Family Housing	Surveyed	Reconcile survey findings to program operations.	Survey not done.
Water and Waste	Survey Not Done	N/A	No Action Required
Electric Program	Survey Not Done	Survey	Survey Not Done
Telecommunications	Survey Not Done	N/A	No Action Required

2000 Data: Information is derived from the files of the program staff in the National Office and is final.

Analysis of Results: Success in meeting the goal was mixed. Limited funding and reduced staff have limited the ability of the mission area agencies to carry out the surveying of customers required to meet this goal. When the mission area strategic plan was revised in 2000, the performance goal was removed from the plan.

Descriptions of Actions and Schedules: None planned.

Current Fiscal Year Performance: The performance goal will not be included in future performance plans.

Program Evaluation: None.

DEPARTMENTAL ADMINISTRATION

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

Departmental Administration (DA) is USDA's central administrative management organization. DA provides support to policy officials of the Department, and overall direction and coordination for the administrative programs and services of USDA. In addition, DA manages the Headquarters Complex and the George Washington Carver Center in Beltsville, Maryland, and provides direct customer service to Washington, D.C. employees. The mission of DA is to provide the most effective and efficient administrative management leadership and services to support USDA agencies and enable the Department to reach its programmatic goals.

DA's functions include human resources management, Government ethics, civil rights, procurement and property management, emergency preparedness, small business utilization and outreach programs. The administrative law functions and the Hazardous Materials Management Group have been placed within Departmental Administration for administrative purposes.

The DA mission includes the civil rights programs to facilitate the fair and equitable treatment of USDA customers and employees and the compliance and enforcement of civil rights laws. The vision is that USDA will be a leader in ensuring equal opportunity and non-discrimination in all program and employment activities. Its customers and employees will reflect the diversity of the nation in an atmosphere of inclusion where customers and employees are valued and treated with dignity and respect.

Only Federal employees were involved in the preparation of this report.

Goal 1: All USDA employees and customers are treated fairly and equitably with dignity and respect. The USDA will have the best civil rights record among Federal agencies.

Under this goal, DA pursued objectives to implement the Civil Rights Action Team (CRAT) recommendations, train USDA employees in civil rights, and reduce the processing time for civil rights cases.

Objective 1.1: Fully implement the Civil Rights Action Team (CRAT) report recommendations that were approved by the Secretary of Agriculture.

CRAT Report Recommendations.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Policies/ strategies issued based on CRAT Report recommendations	15*	15	14

*The FY 1999 Actual column for this Annual Performance Goal/Indicator shown in the revised FY 2000 DA Annual Performance Plan reflected the number of CRAT Report recommendations implemented rather than the number of policies and strategies that were issued based on recommendations in the Report. The actual number of policies/strategies issued in FY 1999 related to CRAT recommendations was 15. This level more accurately reflects the baseline for FY 2000 accomplishments.

2000 Data:

The FY 2000 target of 15 policies/strategies issued was not based on any specific set of policies/issues, but represented a target level of effort in implementing the CRAT Report.

Analysis of Results:

This year saw the implementation of the following policies/strategies related to CRAT directives:

POLICIES/STRATEGIES RELATING TO CRAT		
Number	Subject	Status
DR	Disciplinary and Accountability Policy	Complete
DR & Manual	Environmental Justice (Updated and Procedures)	Complete
Form AD-475B	"And Justice for All" Poster for Recipients of Food Stamp Program	Complete
Form AD-475C	"And Justice for All" Poster for Recipients of all Programs other than Food Stamp Programs	Complete
DM-4300-1	EEO Complaints Processing Procedures	Complete
DM-4330-1	Procedures For Processing Discrimination Complaints and Conducting Civil Rights Compliance Reviews in USDA Conducted Programs and Activities	Complete
DM-4330-2	Procedures For Processing Administrative Discrimination Complaints and Conducting Compliance Reviews in USDA Financially Assisted Programs and Activities	Complete
Number	Subject	Status
DM-4300-3	Equal Opportunity Public Notification Policy	Complete
DM-4300-6	Civil Rights Policy for the Department of Agriculture	Complete
	County Committee Election Procedures	Complete
	Dispute Resolution Resource Guide	Complete
	Management and Diversity Training for Department of Agriculture Supervisors	Complete
	Accountability Review Team Investigation	Complete
	USDA Agency Compliance Reviews	Complete

Reflects policies/strategies completed by December 31, 2000

Current Fiscal Year Performance:

This object has been essentially accomplished. Related activities will continue during FY 2001 on affirmative employment recruitment plans, reaffirmation of agreement between Department of Interior and USDA, Outreach Councils, program discrimination complaints form and brochure public notice, and minority farms register Privacy Act notice.

Program Evaluations:

USDA Inspector General Report: "Office of Civil Rights Status of the Implementation of Recommendations Made in Prior Evaluations of Program Complaints (Audit Report No. 60801-4-Hq), March 2000, outlined several challenges in the USDA civil rights program.

Training, Farm Worker Issues, and Legislation.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Employees receive basic CR training	99%	100%	76%
Farm worker issues implemented	3	8	8
Re-submit legislative changes to farm policies	5	12	4

2000 Data:

Civil rights training: In some cases, the actual dates for training carried over into the next fiscal year. As of February 21, 2001, 76 percent of USDA employees had received civil rights training. These levels are estimated based on reports of training completed

Farm worker issues: Information on farm worker activities comes from the records of the Farm Worker Coordinator and the Office of Outreach. The issues are implemented by having the Farm Worker Coordinator address the problem and ensure that the USDA perspective includes the essential interests of the farm worker. The position of Farm Worker Coordinator was not filled at the time this Performance Goal/Indicator was set. When the program was set up, a priority list of tasks/activities was identified for the farm worker program. The data shown reflects accomplishments against this list of priority activities.

Legislation: In FY 2000, USDA submitted draft legislation for four CRAT recommendations relative to changes in farm policies. Seventeen CRAT recommendations involving legislative changes were identified originally, the FY 2000 goal was to complete the necessary submissions.

Analysis of Results:

Civil rights training: CR staff worked with agencies to complete topics recommended by CRAT and to comply with Departmental Regulation 4120-1 "Annual Departmental Civil Rights Training." As a result, the Department's first on-line training course was developed. Technical difficulties in delivering the six hour course caused many agencies to request extensions into FY 2001. A hard copy version was offered to all agencies. Although a significant level of training was accomplished in FY 2000, many agencies are still in the process of completing the on-line training.

Farm worker issues: The Secretary of Agriculture implemented the role of Farm Worker Coordinator within the National Office of Outreach in December 1999. The concerns surrounding the treatment of farm workers are being documented and analyzed in order to provide assistance. The Farm Worker Coordinator was charged with helping to plan and implement policies and procedures for administering and coordinating USDA farm worker outreach activities; providing oversight for the implementation of CRAT recommendations; collaborating with the county-based agencies and Department leadership on farm worker issues; reviewing regulations and instructions; processing incoming inquiries on farm worker issues; developing training materials on farm worker issues; serving on inter-departmental working

groups; providing expert advice and communications; establishing long-range plans for farm worker programs; developing program regulations and legislation where required; and performing a variety of projects. There has been an increase in the number of programs targeting benefits to farm workers since the position was established. In addition, a disaster assistance program was made available to the farm worker labor force in targeted areas.

Legislation: In many instances, Congress appropriated increased funding in several areas to help improve USDA performance in farm programs, housing, outreach, research and education. Recognizing the need for continued emphasis on civil rights performance, the Department implemented initiatives or proposed legislation to revise the county committee election procedures; hire more civil rights attorneys; fully fund the 2501 program in accordance with the Food, Agriculture, Conservation and Trade Act of 1990; and implement diversity councils to provide advice directly to the Secretary. It is anticipated that implementation of new policies will help to educate and inform customers and employees, thereby reducing the numbers and costs of complaints.

Current Fiscal Year Performance:

Civil rights training: For FY 2000, agencies were given the flexibility to deliver training either via on-line training modules produced in concert with the USDA Graduate School or on hard copy of the same material. The training subjects were as follows: Equal Employment Opportunity, Cultural Diversity, and Federally-assisted Program Delivery, and Federally-conducted Program Delivery. CR staff is meeting individually with each agency CR Director and monthly meetings with Agency Coordinators were held to improve levels of training accomplishment. It is anticipated that the civil rights training will continue in FY 2001

Farm worker issues: The Farm Worker Coordinator presented four workshops in western Kansas under the auspices of the Kansas Wheat Growers Association and Kansas State University. The objective was to promote skills in agricultural labor management. Agriculture industries are increasingly becoming diverse as they employ Latino's in their workforce. Individual members of the industry are seeking both management and cultural diversity skills in order to successfully compete in the world market place. Planning and coordinating activities will continue in the current fiscal year involving the Farm Worker Coordinator and the Office of Outreach in USDA programs.

Legislation: This phase of legislative proposals impacting CRAT recommendations is completed. The Department will consider what legislation may be needed to further implement the CRAT Report recommendations.

Program Evaluations:

None.

Civil Rights Complaint Processing.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Percent reduction from the previous year in the number of days for processing program and EEO civil rights complaints:			
Program complaints (FY 1999 Baseline: 451 days)*	22%*	15%	4%

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Employment complaints (FY 1999 Baseline: 524 days)*	-10%*	15%	-1%

*The calculations for FY 1999 processing times reported in the FY 2000 DA Annual Performance Plan were based on using the median rather than a mean processing time. The FY 1998 and 1999 baselines were recalculated for this report using the mean for processing times.

2000 Data:

Currently, the data for this report are still under review. During this period, staffing in the CR organizations dealing with employment complaints was the lowest it had been in many years. Processing time in this report is determined differently than in reports filed with the Equal Employment Opportunity Commission (EEOC). In this report the processing time includes those periods of time where USDA agencies and CR have responsibility for processing the complaint (e.g., it does not include the time for cases where the complaint is under the jurisdiction of EEOC. The baseline processing days have been revised to better correspond with case processing records. The percentage change is based on the number of days.

Analysis of Results:

In FY 2000, CR closed 1,284 program complaints and received 636 program complaints. The goal was to reduce the percent of time to settle both program and EEO complaints by 15 percent for FY 2000. In FY 2000, CR processed 406 employment complaints and received 783 complaints. The average number of days to close program complaints was 434 days. The average number of days to complete processing of employment complaints was 531 days. The data show a modest increase in the number of days to process employment civil rights complaints. A summary of the civil rights cases received and closed is as follows:

	FY 1998		FY 1999		FY 2000	
	Received	Closed	Received	Closed	Received	Closed
Program	1,011	477	1,224	1,500	636	1,284
EEO	946	985	969	481	783	406

Current Fiscal Year Performance:

With focused attention on case processing, completion of professional training and implementation of portions of the Long Term Improvement Plan (LTIP), CR will be able to close more program and employment complaints each year. EEO complaints closed should increase through the use of new guidance from the EEOC, including the institution of Alternative Dispute Resolution (ADR) activities for formal complaints. Efforts continue to reduce program and employment complaints. Stronger oversight and consistent policy guidance will assist in decreasing the number of complaints coming into the formal complaint system.

To improve civil rights at the USDA, the Department will improve processing time-frames for employment and program complaints by seeking adequate staffing, providing training and by adjusting the process work flow for best results. We will also promote recruitment and retention of those groups that are under-represented in the USDA workforce through use of USDA special emphasis advisory councils and monitoring of the perceptions of USDA employees and customers regarding fair treatment in employment

and program delivery. USDA will promote ADR awareness and provide model conflict management training packages to facilitate training of supervisors and managers throughout the Department.

Program Evaluations:

Long Term Improvement Plan (LTIP): CR completed a long-term improvement plan for civil rights activities in October 2000. LTIP focuses on changing the current organizational culture, re-engineering and improving processes, and meeting customers' expectations. Implementation of LTIP will fundamentally improve our ability to meet the regulatory requirements for processing program and employment complaints of discrimination.

The table below shows the major findings in LTIP:

LTIP MAJOR FINDINGS	
Finding	Comment
Insufficient staffing	There is insufficient staff to handle the average number of complaints filed. Temporary staff has often been used, which compounds the problem because of high turnover and a lack of expertise.
Insufficient training	Employees are insufficiently trained to perform their jobs. This was the second most frequently mentioned finding in the employee survey.
Lack of program knowledge	In several areas the staff lacks sufficient knowledge of the programs for which the complaints are filed. This is a significant impediment for processing program complaints.
Inefficient work flow processes	The systems and processes for handling complaints through the complaint life cycle are inadequate. This causes lost files, delays, inaccurate accounting, etc.
Inefficient automated tracking systems	The automated systems for tracking and processing complaints are inefficient. This causes delays in complaint processing, redundancies in record-keeping, and inaccurate accounting.

USDA Inspector General Report "Office of Civil Rights Management of Employment Complaints" (Audit Report No. 60801-3-Hq), March 2000, found significant weaknesses in the management of the EEO complaint process.

Goal 2: Provide leadership, policy, oversight and coordination to improve the management of programs and administrative processes throughout USDA.

Under this goal, DA pursued objectives to provide opportunities for increased participation in USDA administrative and program activities and ensure effective administrative systems.

Objective 2.1: Increase opportunities for and participation of: (a.) small, disadvantaged, and women-owned businesses to participate in USDA contract and program activities; and (b.) historically underserved rural populations and small, limited-resource farmers in USDA programs.

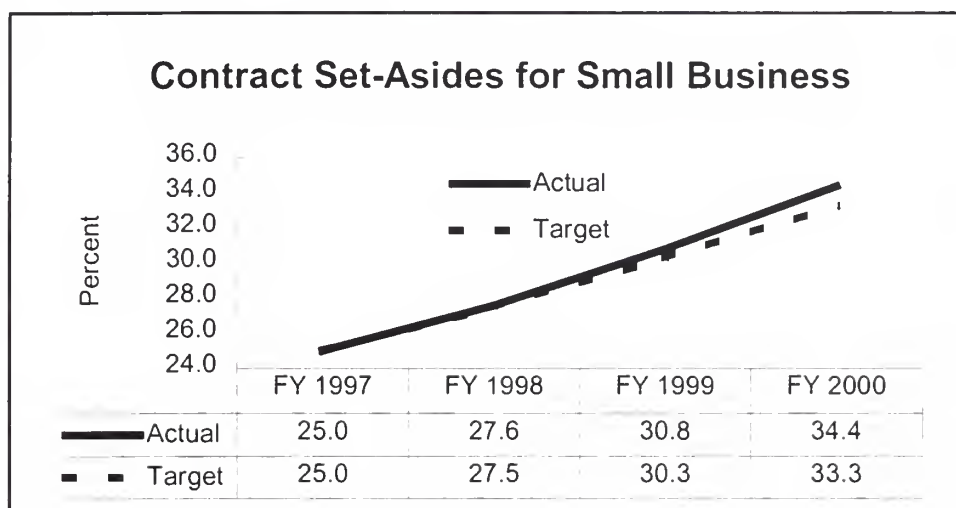
Small Business Contract Activity.

The Office of Small and Disadvantaged Business Utilization (OSDBU) serves as USDA's lead agency in providing an integrated focus for programs to assist small disadvantaged and women-owned businesses.

OSDBU assists outreach efforts to involve all targeted populations in the Department's contracting and program activities and coordinates programs to expand the number of USDA business opportunities available to small disadvantaged businesses. The OSDBU program identifies and eliminates barriers that prevent small business access to USDA programs and activities. Through partnerships with USDA program offices, professional associations, and universities, OSDBU promotes the growth and competitiveness of small disadvantaged businesses in rural America.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Percent increase over prior year of contract requirements set-asides for small business	11.6%*	10%	11.7%

*The FY 1999 baseline "Actual" data has been adjusted since the FY 2000 DA Annual Performance Plan was published. The update reflects final contract numbers for FY 1999.



2000 Data:

The FY 2000 data is final. It is obtained from the National Finance Center's SF 279 contract tracking system. Individual contracting officers throughout the Department record data in the system as contracts are awarded. USDA agencies are required to verify and correct data entered into the system within 45 days of the end of the fiscal year.

Analysis of Results:

Since the base level was established in FY 1997, the number of contract opportunities directed solely to small businesses has slightly exceeded the annual target of a 10 percent increase per year.

Current Year Performance:

With the increased use of the practice of bundling contract requirements into larger contracts and with the increased use of the purchase card and Government-wide contracts to fill USDA requirements, this target will become more challenging to reach. Continued targeted outreach to under-represented small businesses and technical assistance on changing requirements have resulted in strategies to identify contract opportunities which are now typically being awarded to large businesses.

Program Evaluation:

None.

Outreach.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Agency outreach plans which adequately meet established criteria to address needs of targeted populations	20%*	100%	10%

*Based on a re-evaluation of the accomplishment level for FY 1999, the baseline year has been changed from 65 percent shown in the FY 2000 DA Annual Performance Plan to the 20 percent level.

The Office of Outreach (OR) provides overall Department leadership and coordination to ensure that all potential customers have full access to USDA programs and services. In conjunction with other USDA agencies, special emphasis is directed toward underserved populations. OR also administers the Outreach for Socially Disadvantaged Farmers Program, authorized by Section 2501 of the Food, Agriculture, Conservation and Trade Act of 1990 (FACT).

2000 Data:

The data on level of plans meeting established criteria was developed from an assessment of the plans submitted.

Analysis of Results:

Although all USDA agencies previously created plans to reach out to underserved customers as stated in the USDA Strategic Plan (September 2000), the precise standards and the responsibilities for submission, tracking and review of plans have not been well understood. The performance showed a decrease in performance due to the fact that good communication was lacking between DA and the agencies. This problem will be corrected with new reporting instructions.

Current Fiscal Year Performance:

New operating procedures are being put into place to ensure that there is better communication with all agencies. In addition, a follow up system will be implemented to ensure all outreach plans are reviewed.

Program Evaluation:

None.

Objective 2.2: Ensure consistent and uniform key administrative policies to: (a.) increase the effectiveness and efficiency of human resource management programs and services, and (b.) increase employee productivity and improve the well being of the USDA workforce.

Recognizing the correlation between employee and customer satisfaction, the Department must ensure that its employees have the tools and work environment needed to serve customers effectively, including sound leadership, efficient work processes, modern and safe places to work, fair treatment, and adequate incentives for performance, customer service, teamwork, and innovation. Productive employees and modern technology also require adequate facilities. However, many of USDA's current facilities can

neither accommodate new technologies nor fully provide for the safety and security of the Department's employees and customers.

In 1999, 63 percent of USDA employees said that they were satisfied with their work, which is three percent higher than the Government-wide average and one percent higher than the level of private sector worker satisfaction. To ensure that USDA will continue to have a skilled and motivated workforce and strong prospects for retention of its best employees, we will align workforce planning, performance management and employee recognition systems to the USDA Strategic Plan. Employee satisfaction will be tracked through the use of surveys and we will improve policies and practices in areas identified by employees as related to relatively low satisfaction.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Decrease in amount of overall errors based on implementation of Time and Attendance initiatives (percent decrease each year in documents rejected).	10%	10%	-14%

2000 Data:

The data was obtained from the National Finance Center's (NFC) Statistics database. It is normally recorded each pay period after the T&A data has been processed resulting in data for 26 pay periods. In FY 2000, there was one pay period (PP 25) where data was not obtained; therefore statistical adjustments were made to provide comparable annual data. The average number of employees paid in a given pay period was 100,464.

Analysis of Results:

An analysis of the FY 2000 performance indicates that fatal error rates have increased because the focus of the T&A project was on developing new T&A system requirements to meet the needs of USDA agencies. The new systems will include edits and checks to eliminate errors that cause the increase for FY 2000, therefore there should be a significant decrease in fatal errors. Another factor in the increase of T&A system errors was the continual high turnover rate in T&A clerks, resulting in a lack of consistency and training for new clerks. Managers must be held accountable in order for operational improvements to be made in T&A processing.

Current Year Performance:

Since this is not an Annual Performance Goal/Indicator under the Revised Annual Performance Plan for FY 2001, the data is no longer being tracked and analyzed each bi-weekly pay period.

Program Evaluation:

None.

Objective 2.3: Provide modern, efficient, and cost effective procurement and property systems.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Use of Performance-Based Contracts (percent of total service contract dollars)	1.9%*	30%	4.6%
New Purchase Card Management System Implemented (percent of 20,000 potential users in USDA)	95%*	100%	140%

*Number has been adjusted to reflect a more accurate analysis of PBSC contract action as well as a more accurate count of purchase card users than was available at the time of the FY 2000 DA Annual Performance Plan.

PCMS is a "point and click" software package developed by USDA that provides for the electronic receipt, reconciliation, and payment of purchase card (essentially a VISA credit card) transactions. Over 1.6 million purchase card transactions valued in excess of \$500 million were processed by PCMS in FY 2000. These transactions ranged from simple office supplies to payments to ranchers to buy diseased cattle for depopulation.

2000 Data:

Use of Performance Based Service Contracts (PBSC): The data on PBSC achievement is based on data input into the USDA Procurement Reporting System by USDA agencies. The accuracy of this information is dependent on: (a) agencies entering the procurement into the reporting system, and (b) that this information is timely and accurate.

Implement Purchase Card Management System (PCMS): The data on the number of users to which PCMS is deployed is from the PCMS database itself.

Analysis of Results:

Use of Performance Based Service Contracts (PBSC): FY 1999 data indicated that 1.9 percent of total USDA contract dollars eligible for PBSC application were actually awarded as performance based service contracts. The FY 1999 goal had been five percent. This level of achievement was the same as in FY 1998. We did conduct the PBSC briefing for senior USDA officials (Deputy Administrators for Management) in FY 2000 as planned. We also added language in certain high-level service contract approval documents from the Assistant Secretary for Administration pointing out to USDA agencies where PBSC could be applied. As a result of these actions, and an increasing level of understanding in potential PBSC application to USDA agency procurements, 4.6 percent of the contracts eligible for PBSC application were awarded in FY 2000.

The FY 2000 achievement is a move in the right direction, but is not sufficient progress toward the 30 percent USDA goal or even the Government-wide ten percent goal set for FY 2001 in the "Government-wide Acquisition Performance Measurement Program." Clearly, other actions to encourage USDA agencies to embrace this approach need to be identified. We believe the major issues here involve convincing agency program managers to try new approaches and providing good examples of PBSC application for agencies to emulate. Especially in the information technology area, there appear to be few good examples showing the successful application of PBSC principles.

Implement Purchase Card Management System (PCMS): The objective to fully deploy PCMS has been successfully accomplished.

Current Fiscal Year Performance:

Use of Performance Based Service Contracts (PBSC): To define further necessary steps to expand PBSC use, we will develop a PBSC Strategic Plan in partnership with USDA agencies. This plan will be ready for agency sign off in the third quarter of FY 2001.

Implement Purchase Card Management System (PCMS): The target level has been more than achieved.

Program Evaluations:

Use of Performance Based Service Contracts (PBSC): USDA achievements are being monitored by the Office of Federal Procurement Policy, Office of Management and Budget, through the Government-wide Acquisition Performance Measurement Program.

Implement Purchase Card Management System (PCMS): The USDA Inspector General conducted a review (audit no. 50099-26-FM(1)) of the Purchase Card Program in FY 2000. The audit found that agencies were failing to follow existing Purchase Card Program policy to ensure spot cash awards and emergency salary payments are accurately entered into PCMS and the payroll/personnel system. This problem is not a PCMS software deficiency. We are working to define revised policy and/or processes to correct this problem. The audit findings have not had a negative impact on the goal to fully deploy PCMS.

Objective 2.4: Improve the effectiveness of USDA space management programs.

The Performance Goals and Indicators for this Objective are shown with the other space management Performance Goals and Indicators under Objective 3.1.

Objective 2.5: Ensure that all USDA employees aware of and compliant with laws, regulations and administrative procedures governing standards of conduct, conflict of interest, political activity and contracting.

The Office of Ethics (OE) was established within the USDA in 1998 to foster an environment in which USDA decision making is, and is publicly perceived to be, untainted by any conflicting personal interest of its staff. The USDA program includes counseling and advice; personal financial disclosure requirements on covered staff; and training on various rules governing employee conduct, conflicts of interest, and political activity.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Percent of USDA population trained	98%*	95%	94%
Number of full-time permanent ethics advisors on board in USDA	11**	10	11
Percent of financial disclosure reports given initial review within 60 days.	70%***	85%	75%

*The FY 1999 reported number of 90% in the FY 2000 DA Annual Performance Plan has been adjusted based on updated reports.

**The reported number of USDA agency full-time ethics advisors for FY 1999 has changed since the FY 2000 DA Annual Performance Plan recorded seven such positions.

***Updated reports available since the FY 2000 DA Annual Performance Plan were filed and increased the FY 1999 baseline number for financial disclosure reports review within 60 days from 60 percent to 70 percent.

2000 Data:

Ethics Training: OE is responsible for annual ethics training for public filers within the Office of the Secretary, USDA Headquarters Staff Offices and Departmental Administration. This comprises about 200 persons over the course of a year. Records are kept at training sessions and the automated training systems track training accomplishment through on-line training modules.

USDA Ethics Advisors: While dozens of persons perform ethics advisory functions throughout the USDA mission areas, most do so as a collateral duty only. OE hopes to build a cadre of fully dedicated and well-versed ethics advisors within each mission area headquarters.

Review of Financial Disclosure Reports: The data are largely based on Mission Area reports.

Analysis of Results:

Ethics Training: All but 13 individuals either participated in classroom instruction or transmitted self-certifications of taking online Government's ethics training modules. It is possible that more self-instruction was taken for which the user failed to transmit the self-certification.

USDA Ethics Advisors: The assignment of ethics advisors continues above target in USDA.

Review of Financial Disclosure Reports: The approximately 650 Public Reports (political appointment and higher civil service positions) filed with OE were given initial review within 60 days. The 14,000 Confidential Reports (senior mid-level positions) were reviewed by mission area ethics advisors. The timing of their reviews was more varied.

Current Fiscal Year Performance:

Ethics Training: In FY 2001, the use of automated on-line instruction modules is expanding and we continue to expect a large percentage of employees will receive training.

USDA Ethics Advisors: OE, working with the full-time and collateral ethics advisors throughout the Department, will continue to ensure that the Government Ethics programs are strong throughout the Department.

Review of Financial Disclosure Reports: Estimated based on Mission Area Ethics Advisor reports, a number of confidential financial disclosure reports have not yet been filed for calendar year 2000. A 45-day extension to the due date was granted to the Forest Service (due to the forest fires emergency) and elsewhere in the Department where there have been administrative delays. Consequently, we do not yet have a full universe of reports filed against which to measure a 60-day review time frame

Program Evaluations:

None.

Objective 2.6: Increase USDA's preparedness for continuity of essential functions during disaster and emergency situations.

The Office of Crisis Planning and Management (OCPM) was established within USDA in December 2000. OCPM was created from elements of the Office of Procurement, Property and Emergency Preparedness and the Office of Human Resources Management. The new Staff Office is responsible for the coordination of and administrative support to the Department's emergency planning, preparedness, and

response functions for natural disasters and terrorist incidents as well as the USDA Continuity of Operations Plan (COOP) to maintain the Department's essential operations during a national emergency or disaster.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Update required handbooks for emergency operations	0	2	0

FY 2000 Data:

Operations management techniques are used in the Office of Crisis Planning and Management to track the accomplishment in revision of these publications. The level of performance is based on an analysis of the milestones under these plans.

Analysis of Results:

The two emergency operations publications scheduled for revision were: Departmental Regulation (DR) 1800-1 "USDA Emergency Programs Responsibilities," and the Emergency Operations Manual (EOM), were not completed within the target time frame. The redrafting of DR 1800-1 was 90 percent complete in FY 2000. Drafting of the Emergency Operations Manual (EOM) was about 50 percent complete during FY 2000. Limited staff resources and other competing priorities delayed revision of the EOM.

Current Fiscal Year Performance:

The final drafting and staff coordination of DR 1800-1 was completed during the 1st quarter of FY 2001. The final version of the regulation will be completed and issued by the end of the fiscal year. A working draft of the manual is in use. The projected completion date for the manual has been moved to the 4th quarter of FY 2001.

Program Evaluations:

None.

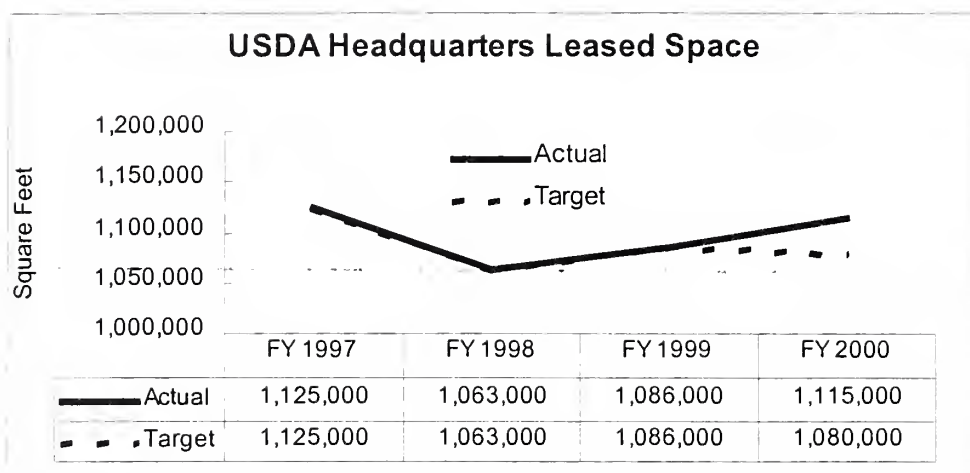
Goal 3: Deliver timely, reliable and efficient centralized and other services to Departmental Administration's customers.

Under this goal, DA pursued objectives to: provide timely and efficient services to USDA Headquarters, provide a safe and functional workplace, and improve human resources management services.

Objective 3.1 Provide a safe and modern workplace for USDA Headquarters Complex and George Washington Carver office facility.

Utilization of buildings and space.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Improve utilization of USDA buildings and space: Reduction of leased space (square feet)	39,000	45,000	10,000



USDA headquarters is presently housed in the 4-building government-owned Agriculture complex on the National Mall in Washington, D.C., the recently opened George Washington Carver Center in Beltsville, Maryland, and in leased offices in the metropolitan D.C. area. A 10-year plan to renovate the aging South Agriculture Building is under way. This objective also includes activities in effective utilization and management of offices space and reduced energy consumption

2000 Data:

The data for space management are tracked using automated records of leased space inventory.

Analysis of Results:

USDA will continue to reduce its reliance on costly lease space by consolidating USDA agencies into the facilities at Beltsville and the downtown Headquarters Complex. This goal is being accomplished in stages. The George Washington Carver Center at Beltsville, Maryland was completed and occupied in 1998 and 1999. In FY 2000, Headquarters space was leased to meet requirements of USDA program agencies. Had the funds been available to keep the South Building renovation project on track, the needs for leased space would be sooner reduced.

Current Fiscal Year Performance:

Current leasing plans call for the elimination of 14,800 square feet of space in Headquarters in FY 2001. However, adequate space will have to be maintained to house agency headquarters staffs, accommodate special needs such as task forces and swing space for relocations due to South Building renovation.

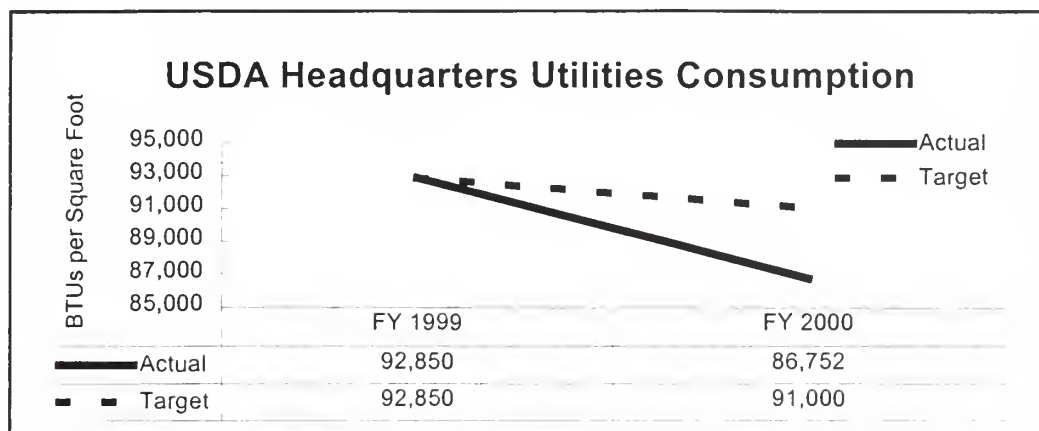
Program Evaluations:

In FY 2000, General Accounting Office (GAO) conducted a review of the program to evaluate moving the Forest Service out of the Yates Building. The GAO conclusion was that it would be expensive and take several years to accomplish. General Accounting Office Report: "Feasibility of Moving the Forest Service From the Sidney Yates Building" (Report B-286151), September 28, 2000.

Reduced energy consumption.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Reduce Utility Consumption	5.7%*	10%	11.9%

*A revised report for FY 1999 has changed the reported value of eight percent to the 5.7 percent shown in this report.



2000 Data:

The data was obtained from billing records of the utility providers. This consumption information is recorded each month and is based on meter readings. The baseline is FY 1995 utility cost.

Analysis of Results:

During FY 2000, there was a cooler than normal summer and a mild winter that contributed to a substantial reduction between FY 1999 and FY 2000. As conditions return to more normal levels, and as the utility systems in the aging South Building continue to deteriorate, some increase in utilities usage can be anticipated.

Current Fiscal Year Performance:

Energy conservation is being incorporated into the renovation phases of the South Building. In FY 2000, the energy management program focused on completing construction/commissioning Phase 1 of the South Building Modernization. Phase 1 included the replacement of the inefficient lighting and HVAC system with energy efficient systems in Wing 3. The energy management program also focused on operations, maintenance, and repair opportunities to reduce energy consumption (repairing insulation and temperature controls). The energy management program also included surveys and repairs to the steam system to reduce energy consumption. The lighting program to phase out inefficient incandescent lighting systems with long life energy efficient system also continued. The energy savings from the modernization of the South Building is being partially offset by the increased employee space utilization rate in the modernized space.

In FY 2001, the energy management program will focus on constructing Phase 2 of the South Building modernization. The energy program will also continue to focus on operations, maintenance, and repair opportunities to reduce energy consumption. With the complete replacement of old equipment in the

South Building planned over the next ten years, investments in major mechanical and electrical systems (outside the modernization program) in the South Building are not anticipated at this time.

Program Evaluations:

None.

Renovation of South Agriculture Building.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
10-year renovation completion rate	4%	12%	8%

2000 Data:

The renovation of the Agriculture South Building is tracked by project management techniques. The upgrade of the electrical and heating, ventilation, and air conditioning systems (HVAC) was a measure in the FY 2000 DA Annual Performance Plan, but it has been discontinued as a separate measure since it tracks directly with the renovation project.

Analysis of Results:

In FY 2000, Phase 1 of the South Building Renovation in Wing 3 was substantially completed and occupied. The lack of funding in FY 2000 for the renovation of the South Building slowed progress toward this goal, but funds for the construction of Phase 2 were appropriated in FY 2001.

Current Fiscal Year Performance:

The major construction contract for Phase 2 will be prepared in FY 2001 and construction should be started.

Program Evaluations:

None.

Workplace Safety.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Contractor related accidents	0	0	0
Reduction in the number of job related injuries/illnesses	15%	15%	-25%

2000 Data:

This data is gathered from records maintained by the Health Unit. The data does not capture any injuries or illnesses that are not seen by this unit.

Analysis of Results:

During FY 2000, out of the 23,600 employees seen in all the health units, there were 108 job related injuries. This was an increase of 26 percent from the 86 injuries recorded for FY 1999. While no specific cause can be, the age of the South Building and its HVAC and other central systems may be related to the level of injuries and illnesses.

Current Fiscal Year Performance:

The completion of the renovation of the South Building, especially the HVAC systems, is expected to have a marked impact on worker health and well-being.

Program Evaluation:

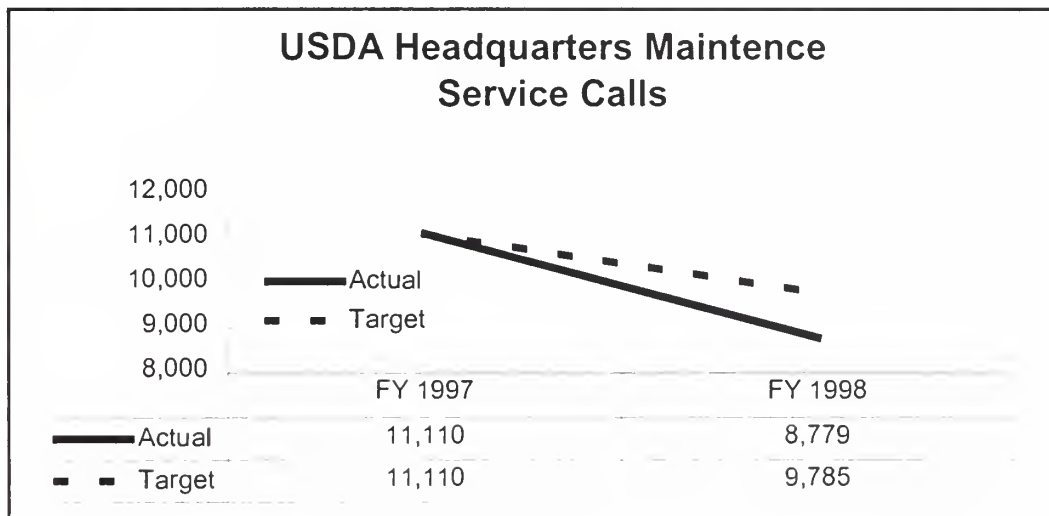
None.

Objective 3.2: Deliver timely, reliable and efficient centralized and other services to Departmental Administration's customers.

Building Maintenance and Service Calls.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Percent reduction in customer service complaints from 1996 baseline (10,300 calls)	-8%*	5%	15%

*A re-evaluation of the data on service calls during the FY 1998-1999 period has resulted in the percentage change for service call reduction in FY 1999. The FY 1999 level shown in the FY 2000 DA Annual Performance Plan was 5 percent.



2000 Data:

Repairs and service calls are tracked in a local database.

Analysis of Results:

Completing The Phase 1 renovation of the South Building helped decrease the number of disruptions in utility services and renovation related problems with noise, debris, and flooding.

Current Fiscal Year Performance:

This program will continue maintenance investment projects in the public areas throughout the Headquarters Complex. To improve operations, numerous minor repairs and alterations' projects will be done to ensure proper building operations and to support customer agency needs. The delay in funding the South Building renovation will also have an impact on customer service calls.

Program Evaluations:

None.

Processing Personnel Actions.

Annual Performance Goals/Indicators	1999 Actual	2000 Target	2000 Actual
Decrease in processing time for selected personnel actions	N/A	10%	N/A

2000 Data:

The average percentage of actions processed late during FY 2000 was 50 percent. The target level is a 10 percent decrease in processing time for selected personnel actions. Data were compiled each pay period of the fiscal year and then totaled. The total number of transactions processed was compared to the number of transactions untimely processed, and a percentage derived there from. However, since no data was kept for FY 1999, such a comparison between the two fiscal years cannot be made.

Analysis of Results:

The data being tracked provide a baseline for evaluating future improvements. Since the data are analyzed 26 times each fiscal year, timely program corrections can be made throughout the year. An analysis of FY 2000 performance indicates that timeliness has improved from a high of 89 percent untimeliness (24 October 1999 - 6 November 1999) to 19 percent near the end of the fiscal year.

Current Year Performance:

Data will continue to be tracked and analyzed each bi-weekly pay period. The results of such analyses will be provided to the managers and staff in order that they may provide feedback regarding possible operational improvements. Performance goals are included in each employee's performance standards.

To improve customer service to DA human resources service customers, we will recruit and train high quality HR professionals from all sources. We will apply research on corporate best HR practices and publish service standards. We will institute a case tracking system and emphasize face-to-face meetings with service clients.

Program Evaluation:

None.

HAZARDOUS MATERIALS MANAGEMENT FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The purposes of the USDA Hazardous Materials Management Program (HMMP) are: 1) effective and efficient cleanup of hazardous materials from facilities and lands under the jurisdiction, custody, and control of the Department, and 2) prevention of releases of hazardous substances from USDA facilities through improved management practices. Program activities are conducted pursuant to requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA).

The HMMP is funded from agency appropriations and the Hazardous Materials Management Appropriation (HMMA). The HMMA was established in 1988 to provide targeted funding for priority hazardous materials cleanup projects. HMMA funds are distributed to the Animal and Plant Health Inspection Service, Agricultural Research Service, Farm Service Agency, Food Safety and Inspection Service, Forest Service, Office of the General Counsel, and Rural Development. The HMMA is critical to meeting agency mission requirements and program accomplishment goals and objectives.

Annually, USDA agencies request funding for planning-year HMMP activities, revise their proposed programs of work at the start of the current fiscal year to reflect current needs and priorities, manage the obligation and expenditure of their allocated agency funds and HMMA funds, and report HMMP accomplishments to the Hazardous Materials Management Group (HMMG). The HMMG provides day-to-day administration of the HMMP on behalf of the Hazardous Materials Policy Council. The HMMG recommends policies regarding management and cleanup; provides technical assistance; and prepares HMMA budget requests, annual HMMP performance plans (APPs), and performance reports, using data submitted by the agencies. It also provides guidance, assistance, and oversight of compliance with hazardous materials requirements within USDA. HMMG represents USDA on the National Response Team for oil and hazardous substance spills.

Only Federal employees were involved in the preparation of this report.

Fiscal year (FY) 2000 Hazardous Materials Management Program (HMMP) performance measures, targets, and results are summarized in the following table.

HMM PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
Goal 1: Improve and restore the environmental condition of facilities and lands under the jurisdiction, custody, and control of USDA.	Beginning in 1998 and by the end of 2002 complete the CERCLA cleanup of 150 sites and all regulated underground storage tanks (USTs) on lands and facilities under the custody and control of USDA as required by CERCLA and RCRA.	66	108	90
	Number of sites assessed/ characterized on need for cleanup.	53	78	43
	Number of cleanup plans completed.	9	17	6
	Number of non-mine CERCLA cleanups completed. ¹	32	30	15
	Number of mine CERCLA cleanups completed. ¹	7	12	9
	Number of UST and other RCRA cleanups. ¹	13	19	5
	Number of agreements reached with potentially responsible parties (PRPs).	7	10	11
	Estimated value of cleanup/restoration work performed by PRPs (\$millions).	\$34M	\$35M	\$11.5M

HMM PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
Goal 2: Ensure responsible management in the use, storage, and disposal of hazardous materials and wastes.	Improve compliance with RCRA Subtitle C and reduce the costs and risks associated with generation and disposal of hazardous wastes in agency operations.			
	Number of environmental audits and program reviews.	22	15	15
	Number of P2 projects completed.	13 ²	1	5
	Reduction in releases and offsite transfers of toxics by USDA facilities not subject to TRI reporting but voluntarily pursuing such reductions.	N/A	50%	N/A ³
¹ The target of 61 cleanups for FY 2000, which appeared in the FY 2000-2001 APP, included all cleanups – the target of 12 mine cleanups as well as UST and other RCRA cleanups. To more accurately and transparently show progress toward the performance goal and to eliminate the possibility of double counting, separate performance measures have been established for each type of environmental cleanup. The values in both the target and actual performance columns reflect this change in reporting. ² Corrected from 16 reported in 1999. Three environmental audits were erroneously included in the earlier reported value. ³ The Executive Order under which this information was collected was rescinded in 2000.				

Goal 1: Improve and restore the environmental condition of facilities and lands under the jurisdiction, custody, and control of USDA.

Objective: Cleanup and restore facilities and lands contaminated from releases of hazardous substances and materials.

Key Performance Goal

Beginning in 1998 and by the end of 2002, cleanup 150 CERCLA sites and all regulated USTs on lands and facilities under USDA, jurisdiction, custody, and control.

Target¹: 108

Actual²: 90

Number of sites assessed/characterized on the need for cleanup

Target: 78

Actual: 43

Number of cleanup plans completed

Target: 17

Actual: 6

Number of non-mine CERCLA cleanups completed

Target³: 30

Actual: 15

Number of mine CERCLA cleanups completed

Target³: 12

Actual: 9

Number of UST and other RCRA cleanups completed

Target¹: 19

Actual: 5

Number of agreements reached with potentially responsible parties (PRPs)

Target: 10

Actual: 11

Estimated value of cleanup/restoration work performed by PRPs

Target: \$35 million

Actual: \$11.5 million

¹ Target is cumulative, reflecting the total of 66 CERCLA cleanups completed in FYs 1998 and 1999 plus the FY 2000 target of a total of 42 CERCLA cleanups of mine and non-mine sites.

² Actual is cumulative, reflecting the total of 66 CERCLA cleanups completed in FYs 1998 and 1999 plus 24 mine and non-mine CERCLA cleanups completed in FY 2000.

³ To eliminate double counting, the 12 mine CERCLA cleanups were subtracted from the original target of 61 cleanups. To make clear which cleanups contribute to the performance goal, the target of 49 non-mine cleanups is broken out to distinguish CERCLA from RCRA cleanups, which include USTs.

2000 Data: USDA agencies identify funding priorities and performance targets as part of their HMMP budget requests. They show results in year-end obligations and accomplishment reports. The data management system they use for this reporting covers the entire budget cycle (i.e., needs identification through project completion) and currently extends from FY 1997 through 2006, allowing for multi-year overview and performance analysis. Key reporting parameters include project name and location, specific activities needed and performed to complete the project, performance goals, priorities, status, and cost data. The agencies are provided a list of standardized activities and references to applicable authorities (e.g., the National Contingency Plan for CERCLA preliminary assessments, site inspections, and response actions). This system serves as the framework within which project plans are developed, performance targets are set, and results are reported by the USDA agencies. At the end of each fiscal year, they report all ongoing HMMP activities, regardless of funding source, as either finished or ongoing (i.e., not finished). Only finished activities are reported here, although ongoing work constitutes a significant portion of the workload and utilization of resources. For example, while the agencies reported completing a total of 29 environmental cleanups in FY 2000, well over 100 more are shown in the data management system as underway but not yet complete. Over 2000 additional environmental cleanups are anticipated to be required to complete the cleanup and restoration of facilities under USDA jurisdiction, custody, and control.

The accuracy and completeness of data is attested by USDA agency heads or, consistent with HMMP policies, their designees. It is examined holistically by HMMG for gaps and logical inconsistencies (e.g., funds being requested or obligated in a later year than that in which the project activity was reported as being completed). HMMG resolves data deficiencies by examining the data and, when necessary, contacting agency personnel. Since all detected data deficiencies were resolved through this process, the data is believed to be of acceptable quality.

To ensure proper accounting for HMMA funds, agency personnel also check their financial data against National Finance Center records, reconciling discrepancies when necessary.

Analysis of Results: This year, a change was made in the way performance targets and results in the cleanup program are reported. This was necessary to clearly and consistently present an accurate picture of the HMMP to management and to external customers. Specifically, cleanups are now identified as being performed pursuant to RCRA (e.g., UST cleanups, corrective actions, closures) or CERCLA, typically removals and remedial actions. This was done to clearly identify which environmental cleanups contribute to the primary performance goal (i.e., completing 150 CERCLA cleanups by the end of FY 2002). As in last year's report, CERCLA cleanups are further subdivided into non-mine and mine cleanups to reflect Departmental policies on CERCLA compliance.

The total of 90 CERCLA cleanups completed in fiscal years 1998 through 2000 indicates that USDA is exactly on target to meet its performance goal of completing 150 CERCLA cleanups through 2002. This projection assumes that the average pace of the past three years can be sustained for the next two years. Meeting the CERCLA cleanup goal may require shifting resources to expedite completion of some projects that are already underway. In practice, the HMMP has long been opportunistic, demonstrating flexibility in project implementation and funding to adjust to changing findings and circumstances. To the extent resources allow, plans for a few unscheduled priority projects are prepared along with the funded projects to allow for adjustment in the program if a project is delayed or additional funding becomes available. This proactive approach increases program efficiency and cost effectiveness.

USDA also employs authorities under CERCLA and related executive orders to leverage funding in the cleanup program. Responsible parties performed or funded over \$11 million of cleanup work in FY 2000, compared to the target of \$35 million. Factors that influenced the shortfall in this target included a slower pace of work than expected at some sites where responsible parties are performing the work and protracted negotiations at other sites.

As a result of its strategies, very few USDA sites are on the Superfund National Priorities List, and very few cleanups are conducted by USDA under administrative or other orders initiated by federal and state regulatory agencies. However, USDA's proactive approach is dependent on the availability of funding to address priority work, including preparing the plans for cleanups that will take place in future years. Completion of cleanup plans is not keeping pace with targeted needs, with only 69 and 35 percent of the performance target for cleanup plans having been completed in FYs 1999 and 2000, respectively. USDA is shifting some funding from the assessment and characterization portion of the program to the preparation of cleanup plans to address this problem. This stopgap measure of shifting resources to increase the number of cleanup plans can only worsen the shortfall in producing the site evaluations that support long-range planning and priority setting for cleanup work.

In the longer term, USDA will almost certainly fall far short of its goal of having all cleanups completed by 2045, perhaps requiring over 100 years to complete the cleanup program. During FY 2000, USDA and its agencies were named in a number of suits over environmental contamination attributed to USDA activities. Settlement of a small number of these suits resulted in the U.S. paying private parties in excess of \$1.5 million during FY 2000.

Current projections are that a very small number of UST cleanups – probably one or two – will not be completed by the end of FY 2002.

Program targets and results for fiscal years 1995 through 2000 are presented in the table below.

Summary of Results and Targets for Performance Indicators, 1995-2000

Performance Goal/Indicator		Fiscal Year					
		1995	1996	1997	1998	1999	2000
Beginning in 1998 and by the end of 2002, cleanup 150 CERCLA sites and all regulated USTs on lands and facilities under USDA, jurisdiction, custody, and control.	Target (Prorated)				30	60	90
	Actual (Cumulative)				27	66	90
	% of Final (Cumulative)				18%	44%	60%
Number of sites assessed/characterized on the need for cleanup ¹	Target	156	160	106	49	54	78
	Actual	160	90	62	49	53	43
	%	103%	56%	58%	100%	98%	55%
Number of cleanup plans completed ¹	Target					13	17
	Actual					9	6
	%					69%	35%

Performance Goal/Indicator		Fiscal Year					
		1995	1996	1997	1998	1999	2000
Number of non-mine CERCLA cleanups completed ^{2,3}	Target	76	85	27	25 ⁴	30	30 ⁶
	Actual	37	62	34	27 ⁴	32 ⁵	15
	%	49%	73%	126%	108%	107%	50%
Number of mine CERCLA cleanups completed ²	Target					5	12 ⁶
	Actual					7	9
	%					140%	75%
Number of UST and other RCRA cleanups completed ³	Target	109	65	51	5	54	19 ⁶
	Actual	65	60	23	32 ⁷	13 ⁵	5
	%	60%	92%	45%	640%	24%	26%
Number of agreements reached with potentially responsible parties (PRPs)	Target	none	10	10	8	20	10
	Actual	4	4	8	8	7	11
	%		40%	80%	100%	35%	110%
Estimated value of cleanup/restoration work performed by PRPs (\$000.0s)	Target	none	none	none	20	30	35
	Actual	.5	22.3	26	104	34	11.5
	%				520%	113%	33%

¹ Until FY 1999, investigation (e.g., preliminary assessments, site inspections) and cleanup planning (e.g., engineering evaluation/cost analysis, remedial investigation/feasibility study) were combined and reported together. They are now separated so that management can track accomplishments in a more meaningful manner.

² Beginning with the FY 1998 results and the FY 1999 targets, CERCLA cleanups of abandoned and inactive mines are reported separately from other CERCLA cleanups. This distinguishes cleanups needed as a result of agency activities from those to address the activities of others.

³ To make program planning and performance in support of the performance goal more transparent, previously reported data on cleanups has been broken out to distinguish CERCLA and non-CERCLA effort.

⁴ This performance target is for both mine and non-mine cleanups. For consistency in showing results as a percent of targets during the transition period from combined reporting of CERCLA cleanups to separate reporting of mine and non-mine CERCLA cleanups, 12 mine cleanups are included in the 27.

⁵ The value of 42 non-mine cleanups reported in the FY 1999 APPR included 32 non-mine CERCLA cleanups and 10 UST cleanups. The value of 13 UST and other RCRA cleanups includes three other RCRA cleanups that were not counted in the earlier report.

⁶ The original target for cleanups was 61, of which 30 were non-mine CERCLA cleanups, 12 were mine CERCLA cleanups, and the remaining 19 were UST and other RCRA cleanups.

⁷ The large number of UST cleanups during FY 1998 is the result of a Departmental initiative to ensure that all regulated USTs were identified and brought into compliance by the December 1998 compliance deadline.

Program funding levels and other factors will dictate whether the 2002 performance goal is actually met. It is not always possible to accurately predict the cost and course of projects involving environmental contamination. Reasonable explanations for deviations from project plans are numerous, as illustrated by the following: There is more or less contamination than expected from the investigative work that was done at the start of the project. What appeared to be a routine project became complicated by other factors. The time required to gain concurrence from other regulatory agencies and to involve stakeholders in cleanup decisions is not under USDA control. An unexpectedly severe fire season diverted resources to other work. Negotiations with potentially responsible parties (PRPs) are protracted. As an example, in FY 2000 an agency reported a contract dispute on what had been expected

to be routine project to remove and cleanup contamination from 11 large USTs on a former military installation now used by USDA. The cleanup was not completed on schedule because of the dispute and 11 of the 61 planned cleanups – 18 percent of the total performance target – were not completed, contributing to a missed performance target. The agency reports it is now planning to complete these UST cleanups in FY 2001.

Budget Information: The FY 2000 HMMA was \$15.7 million. Well over 95 percent of HMMA funds are obligated in support of Performance Goal #1. The funds in the HMMA are no-year. However, a vigorous effort is made each year to obligate all HMMA funds. In FYs 1999 and 2000, the obligation rate was over 95 percent. Prior-year carryover, deobligations of unspent obligations in past years, and recovery of past expenditures from viable responsible parties made the total of funds available for FY 2000 approximately \$22 million, of which all but \$629,496 was obligated during FY 2000. An unaudited and approximate breakout of FY 2000 obligations by performance measure is shown in the table below.

FY00 HMMA Funding (\$000.0s)	Primary GPR Performance Measure			All Support Activities	Totals
	Investigations	Cleanup plans	All Cleanups		
Allocated	\$3,532.0	\$2,982.0	\$4,585.0	\$4,601.0	\$15,700.0
Obligated	\$5,191.8	\$3,740.8	\$6,649.0	\$5,963.2	\$21,544.8

Program Evaluations: On March 21, 2000, the Office of Inspector General (OIG) issued Audit Survey 50801-8-At, Evaluation of the USDA Reorganization of the Hazardous Materials Management Program. The report contained four recommendations, as follows:

1. Formally institutionalize the HMPC and the HMMP by publishing a final rule that amends the Code of Federal Regulations to reflect the revised organization and its authorities.
2. Develop a comprehensive strategic plan that covers organizational structure and procedures, objectives and measurements, together with performance goals that will support the implementation of a consistent and effective departmental HMMP. This strategy should include target dates and plans of action to develop policy, guidelines, standards, and controls that will provide reasonable assurance of an economical and effective compliance effort.
3. Establish policies and procedures for agencies to consistently account for hazardous waste management funds by project.
4. Require agencies to reconcile at least semiannually HMMG's spreadsheet information with their formal accounting records of hazardous waste management funds and NFC's accounting reports in order to monitor and redirect program funds as necessary.

On June 7, 2000, the OIG accepted all management decisions regarding the recommendations. All action required by the management decisions was completed in December, 2000.

Goal 2: Ensure responsible management in the use, storage, and disposal of hazardous materials and wastes.

Objective: Improve regulatory compliance and reduce environmental contamination through pollution prevention and improvements in management practices.

Key Performance Goal

Improve compliance with RCRA Subtitle C and reduce the costs and risks associated with generation and disposal of hazardous wastes in agency operations.

Number of environmental audits and program reviews.

Target: 15

Actual: 15

Number of P2 projects completed.

Target: 1

Actual: 5

Reduction in releases and offsite transfers of toxics by USDA facilities not subject to TRI reporting but voluntarily pursuing such reductions.

Target: 50 %

Actual: N/A

2000 Data: As reported by USDA agencies, performance targets for FY 2000 were met or exceeded for the first two performance indicators. Because environmental audits and other program reviews represent management support for environmental compliance in USDA activities, information reported by the agencies is accepted without verification or validation. Pollution prevention projects seek to reduce or eliminate the use of toxic compounds and to achieve cost savings in the purchase or disposal of chemicals. Although the standard practices adopted by the private sector (e.g., calculation of cost savings, documentation of the payback period) for these projects has been recommended to the agencies, verification and validation of information they report to HMMG is not required, because the agencies are separately accountable for financial management.

Analysis of Results: The targets for the first two performance indicators were met or exceeded, the performance goal was met. Executive Order 12856 was rescinded in 2000 by the issuance of Executive Order 13148, and collection of this data was discontinued in 1999. Appropriate performance indicators and targets may eventually be added to support reporting on the environmental management systems and performance improvements called for in Executive Order 13148. However, specific results-oriented performance measures have not yet been identified or adopted. The phrase "consistent with the goals of the Pollution Prevention Act and Executive Order 12856" was deleted because Executive Order 12856 was rescinded and the rest of the phrase was needlessly specific.

Program Evaluations: None conducted during fiscal year 2000.

**OFFICE OF COMMUNICATIONS
FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT**

The Office of Communications (OC) was established September 30, 1994, by Secretary Memorandum 1020-40, as a successor to the Office of Public Affairs. The mission of OC is to provide leadership, coordination, expertise, and counsel for the development of consistent and timely communications strategies, products, and services that describe USDA initiatives, programs, and functions, so the widest scope of Americans have information that is helpful in their health and economic well-being. OC also provides the Department and USDA agencies with access to high quality, low cost video, radio, teleconferencing, design, and photography services and facilities eliminating the need for each agency to duplicate such services.

More information regarding OC's programs can be found in the OC Strategic Plan and the OC Performance Plan. Only federal employees were involved in the preparation of this report.

After FY 1999, it became apparent that the original objectives identified in the original FY 1999 Annual Performance Plan were not representative of the full scope of OC's support of USDA's goals. After reviewing the plans of other departments and guidance from OMB, it was determined that a more refined objective and set of means and strategies would be required. As a result, the original objectives and means and strategies were replaced by those given in the FY 1999 and FY 2000 Annual Performance Plan. This report is based on those FY 2000 revised goals and objectives as identified in the FY 1999 and FY 2000 Annual Performance Plan.

The following Table provides summary information of OC's achievement of revised FY 2000 Performance Goals.

OC PERFORMANCE SUMMARY			
Strategic Goal	FY 2000 Performance Goals	Performance	
		Target	Actual
Goal 1: To support the Department in creating a greater awareness among the American public about USDA's major initiatives and services.	All major policy/program decisions, especially on cross-cutting issues, include communications elements, and written communication plans prior to the announcement of every cross-mission area initiative or program priority, and prior to launch of single mission or program priorities and initiatives.	Yes	Yes
	Ensure that all customers and employees of OC are treated fairly and equitably, with dignity and respect. Survey selected customers and employees.	Yes	Yes
	OC will use all available communications products, technology and techniques to reach employees and all segments of the American public to strengthen public knowledge and understanding of USDA's effective customer services and efficient program delivery to all citizens. Survey OC use of technologies.	Yes	Yes
	Random Surveys of audiences for selected communications initiatives reveal that intended audience received the material or information distributed.	95%	95%

GOAL: To support the Department in creating a full awareness among the American public about USDA's major initiatives and services.

Objective: To coordinate communications efforts of the Department and its agencies, thereby supporting the Department in creating a full awareness among the American public about USDA's major initiatives and services.

All major policy/program decisions include communications elements, and written communications plans

Target: Yes

Actual: Yes

Ensure that all customers and employees of OC are treated fairly and equitably, with dignity and respect
Survey selected customers and employees

Target: Yes

Actual: Yes

OC will use all available communications products, technology, and techniques to reach employees and the public

Survey OC use of technologies

Target: Yes

Actual: Yes

Random surveys of audiences for selected communications initiatives reveal that intended audience received material or information distributed.

Target: 95%

Actual: 95%

2000 Data: Each OC center prepares a weekly activity report, which is presented to the Director of the Office of Communications. The data in the reports relates to the first three performance measures listed in the table above: 1) the reports identify activities completed or on-going and also identify instances where OC performance goals are not met on an exception reporting basis; 2) the reports identify instances where individuals or organizations have complained that they were not treated fairly or with respect; 3) the reports identify instances where technology was not available to support the mission of OC. With respect to the fourth performance measure, the survey data is based on surveys of customers conducted by the Design and Video Teleconference and Radio centers in FY 2000.

In analyzing this data it must be understood that the OC is a support agency. As such, an evaluation of its performance does not rely on the quantifying of communications products, but rather, does OC have the capacity to respond to whatever may be requested of it so that the communication products created/coordinated by OC support the Secretary and agencies, which are the prime initiators of communications products. It is not logical for a support entity such as OC to propose that it will produce more press releases each year or more video products because the needs of the Department and its agencies to disseminate information to the public are ever changing and dependent on such unpredictable variables as weather, plant and animal disease, and health and safety issues. Regardless of the circumstances, it is OC's responsibility to be able to provide the maximum support possible to the Department whether that means being able to produce 100 press releases or 1,000 press releases. This means that an evaluation of a support agency such as OC can not be focused on a quantitative analysis of what has been produced, but must concentrate on an assessment of their capacity to provide the services required by those entities it serves.

Analysis of Results: There were no instances in which OC was unable to provide the necessary communications support to the Secretary's office; failed to ensure that all persons were treated fairly and equitably; failed to use all available technology; and failed to please at least 95% of the customers polled in select surveys.

The single most informative measure of OC's capacity is determining whether or not there were instances in which OC could not support the Secretary's or agencies' requirements. Such a failure indicates that OC does not have the necessary capacity to meet its goal of supporting the Secretary and the agencies. For this reason, the method used to assess OC's capacity is to identify those instances, as reported in the various centers' weekly reports,

where OC or one of its centers failed to support the Secretary or an agency. No such instance occurred in FY 2000.

While OC planned to conduct more extensive surveys of its customers and the public in FY 2000, only limited surveys that could be accomplished with a minimum of expense were conducted.

Current Fiscal Year Performance: OC is expected to continue its full support of the Secretary and agencies in FY 2001. OC systems successfully transitioned to the year 2000 with no failures. OC has expanded its electronic offerings of information via the Department's Internet Home Page by the addition of video and audio streaming, and a redesign of the Home Page to permit more efficient access to information.

Program Evaluations: None conducted in FY 2000.

**OFFICE OF THE GENERAL COUNSEL
FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT**

The Office of the General Counsel (OGC) was established in 1910, (70 Stat. 742) as the law office of the Department of Agriculture. The mission of OGC is to provide legal services necessary to support activities of the USDA. OGC provides legal services primarily to the Secretary of Agriculture and officials at all levels of USDA as well as members of Congress concerning the programs and activities carried out by USDA. All legal services are centralized within OGC and the General Counsel reports directly to the Secretary.

More information regarding OGC's programs can be found in the OGC Strategic Plan.

The following table provides summary information on OGC's achievement of FY 2000 Performance Goals.

OGC PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
Goal 1: To provide effective legal services in a responsive manner to support USDA activities, consistent with the priorities established by the Secretary of Agriculture	OGC provided effective, responsive legal services especially with respect to priority matters.	Yes	Yes	Yes
	Number of regulations reviewed (p).	2,340	2,340	2,340
	Number of documents/correspondence reviewed (p).	49,000	49,000	49,000
	Numbers of cases handled (p).	17,000	17,000	17,000
	Number of legislation, legislative reports and testimony reviewed or drafted (p).	1,250	1,300	1,300
	Number of oral opinions provided (p).	83,000	83,000	83,000
	Establish Civil Rights Unit.	N/A	N/A	N/A
MI 1: Develop and promote a more productive and diverse workforce.	Improve communications and technology management			
	Percentage of employees provided with Internet access.	85%	95%	100%
	Implement work tracking system.	Yes	Yes	Yes
	Consider feasibility of linking existing local area network into one wide area network.	Yes	Yes	Yes
	Promote workforce diversity.			
	Conduct an outreach program regarding employment opportunities to minority law students.	Yes	Yes	Yes
	Percent of OGC managers who received diverse work force training.	85%	95%	100%

p = preliminary data.

Goal 1: Provide effective legal services in a responsive manner to support USDA activities, consistent with the priorities established by the Secretary of Agriculture.

Objective 1: Review for legal sufficiency, draft regulations submitted by USDA agencies and advise the appropriate USDA officials of the results in an effective and responsive manner.

Objective 2: Draft and conduct legal review of documents as requested by USDA.

Objective 3: Conduct litigation and provide litigation support services to the Department of Justice in cases arising out of USDA programs and activities.

Objective 4: Draft legislation and review for legal sufficiency legislative reports and testimony as requested by USDA officials.

Objective 5: Provide counseling to USDA officials concerning issues arising out of USDA programs and activities.

Objective 6: Create a Civil Rights unit within OGC which will provide legal services to support the Department's Civil Rights Program.

Program Activity: Office of the General Counsel

Key Performance Goals

Provided effective, responsive legal services especially with respect to priority matters.

Number of regulations reviewed

Target: 2340

Actual: 2340

Number of documents/correspondence reviewed

Target: 49,000

Actual: 49,000

Number of cases handled

Target: 17,000

Actual: 17,000

Number of legislation, legislative reports and testimony reviewed or drafted

Target: 1,300

Actual: 1,300

Number of oral opinions provided

Target: 83,000

Actual: 83,000

Establish Civil Rights Unit

Target: N/A

Actual: N/A

2000 Data: OGC conducts legal reviews of a wide variety of agency documents. OGC utilizes a work tracking system which was developed to track work items handled by each office and division of OGC. The data is sound and reliable.

Analysis of Results: The data reflects that all targets have been met. FY 2000 performance for OGC has been consistent and predictable due in part to the ongoing dialogue between the Under and Assistant Secretaries concerning OGC's involvement in major initiatives/projects. This in turn has helped to regulate work flow and lessen, to some extent, the crisis mode of handling agency legal work. Crisis will still occur, because unforeseen circumstances develop which require the immediate response by OGC. However, this process provides managers with a better sense of how to prioritize the work of the office.

Current Fiscal Year Performance: Based on these dialogues, OGC anticipates the need for significant continued involvement in major legal initiatives and projects through the remainder of FY 2001. OGC will continue to monitor performance and take necessary and appropriate actions in the event performance is less than expected. Since OGC's performance goal of establishing a Civil Rights Unit has been met, this objective will no longer be required.

Program Evaluations: None conducted in FY 2000

Management Initiative 1: Develop and promote a more productive and diverse workforce.

Objective 1: Improve internal and external communications and information management within OGC.

Objective 2: Promote workforce diversity.

Key Performance Goal:

Improve communications and technology management.

Percentage of OGC employees provided with Internet access.

Target: 95%

Actual: 100%

Implement work tracking system.

Target: Yes

Actual: Yes

Consider feasibility of linking existing local area network into one wide area network

Target: Yes

Actual: Yes

Promote workforce diversity.

Conduct an outreach program regarding employment opportunities to minority law students

Target: Yes

Actual: Yes

Percent of managers who receive diverse work force training

Target: 95%

Actual: 100%

2000 Data: OGC has exceeded this target by providing all OGC staff with the ability to access the Internet. All OGC staff participated in EEO training as well as a Special Emphasis Program course. Throughout the office, OGC has implemented a centralized tracking system for correspondence, archiving and database management. The data is sound and reliable.

Analysis of Results: The data reflects that the management initiative and objectives have either been met or exceeded. The staff is able to electronically communicate with each other, with other USDA agencies outside of OGC and outside of the Department. Staff have successfully completed all required modules of the Department's mandatory EEO on the Internet. OGC is in the process of establishing a comprehensive training program to meet all agency requirements. The program consists of several modules which will be taught utilizing a variety of media. The first Deputy Associate General Counsel for Civil Rights, an Afro-American female, was recruited and successfully hired by OGC. She has been Acting Associate General Counsel for Civil Rights during FY 2000 and has been responsible for the day-to-day operations of the newly established Civil Rights Division. As part of the outreach program, OGC participated in the Hispanic Association of Colleges and Universities intern program and successfully recruited several minority staff attorneys. The centralized tracking system has been used to provide accountability to managers and workload measurement reports.

Current Fiscal Year Performance: For FY 2000, OGC 's performance was consistent and predictable in accordance with its plan. By improving computer technology and communication tools, OGC will be better able to respond effectively to priorities. OGC will continue to monitor the performance progress and take necessary and appropriate actions in the event performance is less than expected.

Program Evaluations: None conducted in FY 2000.

OFFICE OF THE INSPECTOR GENERAL

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

USDA's Office of the Inspector General (OIG) was the first civilian OIG within the Federal Government, established in 1962. USDA/OIG currently operates under the authority established with the enactment of the Inspector General Act of 1978 (P.L. 95-452) and its 1988 amendment.

OIG's mission is to conduct and supervise audits and investigations to prevent and detect fraud and to improve the effectiveness of USDA programs by recommending changes that will increase efficiency and reduce wasteful and fraudulent activities.

In FY 2000, OIG issued 110 audit reports and 553 investigative reports. We reached an agreement with agency management on corrective actions to be taken on 103 audit reports, which depicted findings with questioned and unsupported costs and loans that totaled \$91.7 million. We also reported \$267.5 million in funds that could be put to better use. Investigations' casework resulted in 481 indictments, 459 convictions, and total monetary results from fines, penalties, restitutions, and recoveries of \$175.9 million.

More information regarding OIG's operation can be found in the OIG Strategic and Annual Performance Plans. Only Federal employees were involved in the preparation of this report.

The following table provides summary information on OIG's achievement of FY 2000 Performance Goals.

OIG PERFORMANCE SUMMARY				
Strategic Goal/Management Initiatives	FY 2000 Performance Goals	1999 Actual	2000 Target	2000 Actual
Goal 1: Promote economy, efficiency, and effectiveness in the administration of USDA programs and operations.	Audit and investigate the most significant programs or areas identified in OIG's planning process. Annually assess the planning process to gauge the goal by retroactively comparing what was planned against work that was initiated and completed during the year.	74%	70%	65%
	Percentage of audits in the Annual Performance Plan for which work was initiated during the year.	88%	85%	85%
	Promote economy, efficiency, and effectiveness of USDA programs by recovering costs, putting funds to better use, and avoiding costs. Measure monetary results of audits and investigations to verify that minimum target levels are achieved in terms of questioned or unsupported costs and loans, funds to be put to better use, recoveries, and/or cost avoidances (dollars in millions).	\$445	\$300	\$536

OIG PERFORMANCE SUMMARY				
Strategic Goal/Management Initiatives	FY 2000 Performance Goals	1999 Actual	2000 Target	2000 Actual
Goal 2: Promote USDA's conformity with the applicable principles, standards, and related requirements by fostering improvements in financial systems and financial reporting, which will enhance the Department's fulfillment of its fiduciary responsibilities.	Foster improvements in financial systems and financial reporting by timely issuing financial statement audits. Percentage of financial statement audits issued by March 1.	42%	100%	100%
	Reduce noncompliance with the applicable principles, standards, and related requirements in the Department's financial systems and financial reporting. Monetary results of financial statement adjustments (dollars in billions).	\$10.54	\$5.00	\$35.28
	Number of recommendations to strengthen financial controls and foster compliance with laws and regulations.	49	50	78
Goal 3: Promote program integrity by detecting criminal activity involving USDA programs and personnel.	Investigation of fraud within USDA programs. Number of fraud investigation reports issued.	515	500	553
	Percentage of total reported fraud investigations resulting in criminal prosecutions.	42%	44%	46%
	Percentage of total reported fraud investigations resulting in fines, penalties, recoveries, restitutions, cost avoidances, and other payments.	56%	55%	56%
	Investigation of allegations involving the integrity of USDA employees. Number of employee misconduct investigation reports issued.	40	50	55
	Percentage of total reported employee misconduct investigations resulting in corrective or disciplinary actions.	100%	60%	58%

Goal 1: Promote economy, efficiency, and effectiveness in the administration of USDA programs and operations.

Objectives: (1) Identify the most significant programs or areas for audit and investigation and allocate resources accordingly and (2) devote audit and investigative resources in the areas identified.

Key Performance Goals

Audit and investigate the most significant programs or areas identified in OIG's planning process. Annually assess the planning process to gauge the goal by retroactively comparing what was planned against work that was initiated and completed during the year.
Target: 70%
Actual: 65%

Percentage of audits in the Annual Performance Plan for which work was initiated during the year.

Target: 85%

Actual: 85%

Promote economy, efficiency, and effectiveness of USDA programs by recovering costs, putting funds to better use, and avoiding costs.

Measure monetary results of audits and investigations to verify that minimum target levels are achieved in term of questioned or unsupported costs and loans, funds to be put to better use, recoveries, and/or cost avoidances (dollars in millions).

Target: \$300

Actual: \$536

2000 Data: The 2000 data is final and reliable. The information on the number of assignments started and completed and those started but not necessarily completed during the fiscal year were derived from our Consolidated Assignments, Personnel Tracking, and Administrative Information Network (CAPTAIN). Reports to accumulate the information for these performance measures have been developed and tested within CAPTAIN to ensure their accuracy. The information on the dollar impact of OIG's work is also derived from this system and reported in OIG's Semiannual Report to Congress.

Analysis of Results: The first performance goal was partially met. OIG selected the first performance indicator within this goal to measure the number of audits in our Annual Performance Plan that were started and completed to demonstrate the effectiveness of OIG's planning process in assessing the needs of the Department, Congress, and the public. While OIG has to remain flexible in order to address unexpected events that may require the use of its resources, we must also be able to anticipate where our services can provide the maximum benefit and plan to allocate resources accordingly. In FY 2000, although we did not achieve the target of completing 70 percent of all assignments included in our OIG Annual Performance Plan, we came within 5 percent of the target. We believe this demonstrates that OIG has an effective data collection process for determining where to apply our resources and has exercised good management control in allocating resources. Our target was set at 70 percent in recognition of the fact that unpredictable events requiring the use of our resources make it impossible to complete 100 percent of the work included in our Annual Performance Plan. Work in the Plan may also be started and suspended or terminated if it is determined that a potential assignment will not produce anticipated beneficial results or is superseded by higher priorities. Although we did not achieve the 70 percent target, we believe our 65 percent completion level still demonstrates that OIG exercised effective planning strategies in FY 2000.

The second performance target under our first performance goal was met. This indicator is directed toward measuring the percentage of assignments initiated in FY 2000, which, while still active, have not been completed during the fiscal year, as well as those that have been started and completed. This measure is impacted by the utilization of our resources, to some extent, to complete assignments stemming from events that cannot be anticipated. We projected a target of initiating work on at least 85 percent of the planned assignments and successfully achieved that target. This measure demonstrates the soundness of OIG's planning, scheduling, and initiation of reviews of essential areas. This comprehensive level of coverage makes OIG a valuable information resource to the Secretary, Congress, and the public.

The second performance goal was met. This goal was selected in recognition of the fact that a primary residual of OIG's analyses of economic events generated cost savings, recoveries, or prospective monetary benefits. We also performed legislatively mandated work, such as financial statement audits, that does not yield a recoverable savings but is nevertheless vital to the Department. Our target for FY 2000 was to identify at least \$300 million in costs, which could be recovered, put to better use, or avoided. We significantly exceeded this target by identifying a total of \$536 million in such costs.

Current Fiscal Year Performance: As we have exceeded our targets for most of the performance goals under this strategic goal, we do not plan to change our methods, policies, or anticipated levels of performance for the current fiscal year.

Program Evaluations: We conducted quality assurance reviews throughout the year to ensure that our work was up to standards, but no specific program evaluations were conducted in this fiscal year.

Goal 2: Promote USDA's conformity with the applicable principles, standards, and related requirements by fostering improvements in financial systems and financial reporting, which will enhance the Department's fulfillment of its fiduciary responsibilities.

Objective: Identify system, control, or compliance weaknesses, which preclude the safeguarding and accountability over funds, property, and other assets.

Key Performance Goals

Foster improvements in financial systems and financial reporting by timely issuing financial statement audits.
Percentage of financial statement audits issued by March 1.
Target: 100%
Actual: 100%
Reduce noncompliance with the applicable principles, standards, and related requirements in the Department's financial systems and financial reporting.
Monetary results of financial statement adjustments (dollars in billions).
Target: \$5
Actual: \$35.3
Numbers of recommendations to strengthen financial controls and foster compliance with laws and regulations.
Target: 50
Actual: 78

2000 Data: We are confident that the data provided in support of the above performance measures are accurate and reliable. The information was obtained through reports generated by our CAPTAIN system and by direct reference to the financial statement audit reports prepared by OIG.

Analysis of Results: The first performance goal was met. OIG achieved 100 percent of the target for the first performance goal in that we issued all required financial statement audit reports on all of the assessable mission areas and agencies within USDA by March 1, 2000. We did note that one financial statement audit report was not issued within this timeframe. It was not included within the scope of our target measurement because the Office of Management and Budget granted a waiver to the Commodity Credit Corporation (CCC) from having to meet the March 1, 2000, deadline. The audit report on CCC's financial statements for FY 1999 was ultimately issued on July 13, 2000.

Our second performance goal was met. Our target for our first indicator under this goal was to identify at least \$5 billion in such necessary adjustments based on empirical data. We actually identified \$35.3 billion in adjustments. We believe that the Department is in a period of extraordinary transition in terms of its accounting and financial management systems and that complexities involved in this process, as well as the implementation of evolving guidance from regulatory bodies, have been responsible for the extraordinary amount of adjustments. New systems are being implemented that fulfill governmental accounting requirements and standards. While this bodes well for the future, it carries near-term exposure to substantial misstatements while "bad data"--unsupported information long retained in the current systems--are converted to the new. Although the amount of misstatements should ultimately decline, it is incumbent upon OIG to identify and report on any irregularities that may emanate from the conversion.

Our target for the second indicator under this performance goal was to provide at least 50 recommendations in our financial statement audit reports to strengthen financial controls and foster compliance with laws and regulations. We exceeded our target by providing 78 such recommendations in FY 2000, demonstrating the continued need for OIG's involvement in this area. We anticipate that the successful implementation of these recommendations will reduce the number of such recommendations in ensuing fiscal years as compliance with the applicable principles, standards, and related requirements within the Department improves. The ultimate positive outcome of this effort should be the ability of OIG to provide unqualified audit opinions on all of the Department's financial statements. The audit report on CCC's financial statements for FY 1999 was ultimately issued on July 13, 2000. We believe our performance under this goal continues to represent a significant achievement, as it reflects a high level of cooperation and interaction between OIG and USDA mission areas and agencies on very technical issues.

Current Fiscal Year Performance: We believe the significant results generated by the performance measures under this strategic goal emphasize the need to continue to monitor and report on our progress in achieving the current performance goals. Therefore, we do not anticipate making any changes in the performance goals or target levels in the current fiscal year.

Program Evaluations: We conducted quality assurance reviews throughout the year to ensure that our work met appropriate standards, but no specific program evaluations in this area were conducted during FY 2000.

Goal 3: Promote program integrity by detecting criminal activity involving programs and personnel.

Objectives: (1) Identify and respond to potential criminal violations impacting the Department, (2) identify potential misuse of USDA funds, and (3) identify instances of serious USDA employee misconduct.

Key Performance Goals

Investigation of fraud within USDA programs.

Number of fraud investigation reports issued.

Target: 500

Actual: 553

Percentage of total reported fraud investigations resulting in criminal prosecutions.

Target: 44%

Actual: 46%

Percentage of total reported fraud investigations resulting in fines, penalties, recoveries, restitutions, cost avoidances, and other payments.

Target: 55%

Actual: 56%

Investigation of allegations involving the integrity of USDA employees.

Number of employee misconduct investigation reports issued.

Target: 50

Actual: 55

Percentage of total reported employee misconduct investigations resulting in corrective or disciplinary actions.

Target: 60%

Actual: 58%

2000 Data: The 2000 data are final and reliable. The information for the fiscal year was derived from CAPTAIN, which contains both program and performance data that are updated daily. Reports to accumulate the information for these performance measures have been developed and tested within CAPTAIN to ensure accuracy.

Analysis of Results: OIG met and exceeded the performance goals involving investigation of fraud within USDA programs. The first performance goal involving the number of reports of investigation issued was exceeded by 53 reports. OIG also met and exceeded the second and third performance goals involving the percentage of total fraud investigations resulting in criminal prosecutions and total reported fraud investigations resulting in fines, penalties, recoveries, and other payments. The increased results reveal that our investigative efforts continue to identify criminal activity associated with contaminated food, misbranded products, uninspected meat or other products, or items smuggled into the United States containing unwanted and unsafe pests. Primarily, our objectives are to identify and respond to potential crimes impacting USDA and to identify potential misuse of its funds. Our investigative focus continues to be in the areas of food safety, public health, and consumer protection.

OIG also continues to focus on identifying instances of serious USDA employee misconduct. OIG met and exceeded the fourth performance goal involving the number of employee misconduct reports issued by five reports. Although we did not meet the fifth performance goal involving the percentage of total reported employee misconduct investigations resulting in corrective or disciplinary actions, we came within 2 percentage points of the goal. These results reflect that OIG is addressing employee integrity violations and misconduct actions. OIG is concerned by occurrences of corruption within USDA ranks and continues to dedicate resources to employee investigations to reduce corruption and criminal activity.

Current Fiscal Year Performance: In the FY 2001 Annual Performance Plan, the performance goals were expanded to include the broader category of criminal investigations instead of the more narrow focus of fraud investigations. The goals were refined to reflect the investigative activities on criminal violations involving USDA programs and personnel. We do not plan to revise our investigative criteria for initiating investigations and will continue to review future performance targets for the projected number of investigations to be conducted to reflect funding allocation.

Program Evaluations: OIG has an ongoing evaluation program to ensure the investigation program is effective and to allocate resources in order to maximize productivity and investigative operations. The scope of investigative work has been expanded from focusing on fraud investigations to the broader category of criminal investigative activities. OIG does not focus strictly on violations involving only fraud.

OFFICE OF THE CHIEF FINANCIAL OFFICER

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The Secretary established the Office of the Chief Financial Officer (OCFO) in 1995 under authority provided in Reorganization Plan No.2 of 1953 (7 U.S.C.2201) to comply with the Chief Financial Officer's Act of 1990. OCFO is responsible for oversight of financial management activities in the Department of Agriculture (USDA) and for direct management of 1,765 employees in OCFO at USDA headquarters in Washington, D.C., and the National Finance Center (NFC) in New Orleans. OCFO's duties include accounting and reporting responsibilities for program funds totaling more than \$92 billion and management responsibility for nearly 37 percent of all debt owed to the U.S. Government. A major cross-servicing and operations facility, the NFC processes the payroll for 459,843 individuals or about 39 percent of the Federal workforce excluding the Postal Service and the Department of Defense. NFC also administers the Federal Government's \$94.7 billion Thrift Savings Plan, which is the world's largest 401(k) retirement plan, for 2.5 million participants. In addition, OCFO administers and manages the Department's Working Capital Fund. The appropriation for OCFO is authorized by 7 U.S.C. 2201 and 31 U.S.C. 901ff, and the appropriation for the Departmental Working Capital Fund is authorized by 7 U.S.C. 2235.

This Annual Program Performance Report reflects the major accomplishments and milestones that USDA achieved in financial management during FY 2000. This report provides our stakeholders, the public and the Congress with a snapshot of USDA's major financial management initiatives, including our progress on the performance measures that serve as the core of this report. The OCFO mission is to create an environment in which USDA officials have and use high quality financial and performance information to make and implement effective policy, management, stewardship, and program decisions.

Only Federal employees were involved in the preparation of this report.

OCFO PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999 Actual	FY 2000 Performance	
			Target	Actual
Goal 1: Promote sound financial management through leadership, policy, and oversight.	Achieve an unqualified audit opinion on USDA's Consolidated Financial Statements. Number of stand-alone financial statements receiving unqualified opinions	3 of 6	3 of 6	3 of 6
	Promote timely correction of internal control deficiencies. Percent of audits where corrective action is proceeding as scheduled.	62%	70%	59%
	Percent of material FMFIA internal control deficiencies where corrective action is proceeding as scheduled.	60%	70%	55%
	Improve the ratio of collectable delinquencies to total receivables.	1.1%	1.0%	1.3%
	Increase percentage of payments made by electronic funds transfer (EFT).	73%	77.0%	75.0%
	Promote performance management and accountability throughout the Department.			
	Issue Program Performance Report or Accountability Report by due date.	—	3/31/00	3/29/00
	Issue Department-wide Strategic Plan by due date.	—	9/30/00	9/29/00

OCFO PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999 Actual	FY 2000 Performance	
			Target	Actual
Goal 2: Create an infrastructure to carry out financial management policies.	Implement the Foundation Financial Information System (FFIS). Percentage of total USDA workforce served	46%	78%	78%
Goal 3: Operate a financial center that produces timely and reliable information, and services.	Measure level of increase in customer satisfaction.	Approach developed	Establish baseline level of customer satisfaction	Baseline established at 88%
	National Finance Center to achieve the Capability Maturity Model (CMM) Level II Certification.	Action plan developed	Develop implementation procedures	Partially achieved/ requirements management procedures not completed in FY 2000
	Increase number of newly implemented payroll accounts (number of new employees).	3,250	10,000	19,178 over 2-years
	Annual increase in costs, exclusive of increases in research and development and costs associated with increased volume, is less than 50% of the increase in the sum of pay costs and inflation.	39% (increase)	Less than 50% (increase)	8% decrease

Goal 1: Promote sound financial management through leadership, policy and oversight.

Objective 1.1 Achieve an unqualified audit opinion on USDA's consolidated financial statements.

Key Performance Goal

Achieve an unqualified audit opinion on the USDA's Consolidated Financial Statements.

Number of stand-alone financial statements receiving unqualified opinions

Target: 3

Actual: 3

2000 Data: Financial statements are not audited until after the close of the fiscal year. Data shown for FY 2000 represent the opinion issued on the FY 2000 Consolidated Financial Statements. The quality of the data is verified by using OIG's audit report of the FY 2000 USDA Consolidated Financial Statements issued in February 2001.

Analysis of Results: USDA submitted its consolidated financial statements to the Office of Management and Budget (OMB) by the March 1 deadline in both 1999 and 2000. In addition, USDA has six stand-alone audits, three of which, the Food and Nutrition Service, the Rural Telephone Bank, and the Federal Crop Insurance Corporation audits, received unqualified (clean) audit opinions. The Rural Development Mission Area received a qualified opinion. However, the Commodity Credit Corporation (CCC) and Forest Service audits were not complete by the March 1, 2001 deadline, and therefore, had disclaimers of opinion as of that date. As a result, the USDA Consolidated Financial Statements received a disclaimer of opinion. The OIG is continuing to work to complete the audits for both the CCC and the Forest Service and will issue revised audit reports upon completion. The reports are expected to be completed by May 2001.

A major factor in USDA's goal to obtain a clean audit opinion is the Federal Government's credit reform efforts. Given its critical role in the arena, USDA established a Department-wide Executive Steering and Advisory Credit Reform Committee to improve the estimation/re-estimation and cost reporting for direct loan and loan guarantee programs. A credit reform working group comprised of personnel from USDA agencies, including Rural Development, (RD) the Farm Service Agency (FSA), and the Office of Inspector General, with the General Accounting Office (GAO), acting as advisor to the group, outlined a plan of action on major credit-related issues. The working group developed a consolidated plan to improve USDA's loan budgeting and accounting processes, which incorporated recommendations from GAO 's credit reform best practices and guidance for use by Federal agencies. USDA applies these standards to the credit reform budgeting and accounting processes performed by RD, FSA, and the CCC, for which FSA performs credit reform responsibilities.

USDA has made significant progress in reconciling USDA's fund balances with the Department of the Treasury. OCFO led the effort to identify and correct the systemic problems that cause out-of-balances with Treasury. OCFO has institutionalized a new Department-wide methodology for dealing with cash reconciliation. OCFO continues to work closely with Treasury as they and the OCFO re-engineer the cash reconciliation and reporting process.

Current Fiscal Year Performance: USDA and its agencies will continue to strive to improve accounting processes and practices that will result in the achievement of improved audit opinions within the Department. As stated previously, audits are on-going within the CCC and the Forest Service. CCC hopes to achieve an unqualified opinion on its financial statements for FY 2000. Additionally, the Forest Service hopes to achieve recognition for its efforts to improve controls over its real property and its Fund Balances with Treasury in its revised audit report for FY 2000.

USDA and its agencies will continue efforts to secure a qualified opinion on the Department's Consolidated Financial Statements for FY 2001 and an unqualified audit opinion on the Consolidated Financial Statements for FY 2002.

Program Evaluations: OIG 's financial statement audits of six required entities and consolidated financial statements are available at the OIG's home page www.usda.gov/oig.

Objective 1.2: Ensure prompt resolution of Department-wide audit and internal control findings.

Key Performance Goal

Promote timely correction of internal control deficiencies.

Percent of audits where corrective action is proceeding as scheduled.

Target: 70%

Actual: 59%

Percent of material FMFIA internal control deficiencies where corrective action is proceeding as scheduled.

Target: 70%

Actual: 55%

Fiscal Year	Audits with Corrective Actions on Schedule	Audits Without Final Action	Audits where corrective action is proceeding as scheduled (%)	Target (%)	Material Deficiencies on Schedule	Material Deficiencies Reported for FMFIA	FMFIA Deficiencies where corrective action is proceeding as scheduled (%)	Target (%)
1998	188	306	61.0		18	39	46.0	
1999	165	266	62.0	60.0	22	36	61.0	70.0
2000	147	250	59.0	70.0	18	33	55.0	70.0

2000 Data: The data for audits where corrective action is proceeding as scheduled were extracted from the Secretary's Management Report to Congress (SMR) as of September 30 for the years reported above, (1998, 1999, 2000).

OCFO extracted data regarding internal control deficiencies from the Federal Managers' Financial Integrity Act (FMFIA) report to the President listed in the table above (1998, 1999, 2000). Deficiencies include both material management control weaknesses and system nonconformances. Agency management reported status of these deficiencies as a result of internal reviews, OIG evaluations and reports, General Accounting Office (GAO) reports, and other sources. OIG reviews the accuracy of agency input in the FMFIA report during the annual financial statement audit.

Analysis of Results: USDA did not meet this performance goal. However, OCFO has increased oversight and emphasis on resolving outstanding audit recommendations. During the fiscal year, OCFO required that agencies develop detailed plans containing the major milestones required to complete corrective actions by the estimated completion date for the audit. Agencies are also required to prepare quarterly progress reports on the status of these planned actions beginning in October 2000.

The OCFO staff continued to work with agency management and OIG to ensure that actions agreed to in management decisions are achievable and cost-effective, correct identified deficiencies, and include an action plan for completion. These efforts resulted in a reduction in the number of audits without final action from 266 in 1999 to 250 in 2000.

Although USDA did not meet the performance target for FMFIA deficiencies, the Department as a whole made some progress. The number of material deficiencies continues to drop. There were 36 combined Section 2 and Section 4 weaknesses in FY 1999 compared to 33 in FY 2000, an 8% decrease. During FY 2000, estimated completion dates were revised for 15 material deficiencies. A variety of reasons were attributed to delays in completing corrective actions timely, including, but not limited to, the publication of regulations, proposed or final rules and changed priorities.

Current Fiscal Year Performance: During FY 2001, USDA anticipates improvement in the number and percentage of corrective actions proceeding as scheduled for both audits and material deficiencies. However, the FY 2001 target for performance has been revised downward to 63% for corrective actions proceeding as scheduled to be more in line with historical performance. OCFO implemented quarterly reporting requirements in order for USDA agencies to update their progress in completing major corrective action milestones for FMFIA deficiencies. The anticipated benefits of increased monitoring are expected to be seen during FY 2001.

Program Evaluations: OIG performed an audit of the Federal Managers' Financial Integrity Act Report and process as part of the USDA FY 2000 Consolidated Financial Statements Audit. The audit report disclosed concerns with the lack of timely corrective actions on longstanding material weaknesses and the Department's inability to provide reasonable assurance that its financial management systems conform with certain standards and principles. The report is available on the OIG's home page www.usda.gov/oig.

Key Performance Goal

Improve the ratio of collectable delinquencies to total receivables.

Target: 1.0%

Actual: 1.3%

Increase percentage of payments made by EFT.

Target: 77%

Actual: 75%

Fiscal Year	Total Receivables (In billions of dollars)	Collectable Delinquencies (In billions of dollars)	Actual Ratio (This figure should decrease)
1996	107.5	3.2	3.0
1997	104.5	2.1	1.9
1998	104.0	1.6	1.5
1999	103.4	1.2	1.1
2000	104.8	1.3	1.3

2000 Data: The receivables data are obtained from the FY 2000 Treasury Report on Receivables (TROR). The USDA agencies submit the receivables data quarterly to the Department of the Treasury (Treasury). The USDA agencies and OCFO verify the end receivable balances on TRORs are accurate and consistent with agency accounting systems and the consolidated financial statements. OIG audits the consolidated financial statements.

Analysis of Results: USDA constitutes about 37 percent of all non-tax debt owed to the Federal Government. The \$104.8 billion portfolio includes loans for rural housing units, rural utilities, farm operating and disaster assistance, international export and development, and rural business enterprises. The FY 2000 delinquent receivables totaled \$6.3 billion. Of this amount, only \$1.3 billion is considered collectable delinquent debt. Uncollectable delinquencies include debtors bankruptcy, in litigation, payments from foreign or sovereign entities, or debts which have passed the statute of limitation for legal collectability.

Since the enactment of the Debt Collection Improvement Act of 1996 (DCIA), USDA has concentrated on reducing the ratio of collectable delinquent debt to the total receivables. The ratio represents the amount of collectable delinquent debt as a percentage of total amount of receivables. USDA fell short of the target ratio by 0.3 percent for FY 2000, because the amount of delinquent debt increased at a faster rate than the increase of total receivables. The weak farm economy, which did not benefit from the strong overall economy, was the primary reason for the increase in total receivables. However, during FY 2000, USDA had an average delinquency rate of about six percent, compared to the Government-wide average of 22 percent. Collections of delinquent USDA debt have almost tripled (from \$63.2 million to \$188.0 million) since 1996 as a result of DCIA and a greater reliance on referring debts for Treasury offset, cross servicing, Internal Revenue Service (IRS) 1099 reporting, and internal/external salary offset programs.

Fiscal Year	Salary Payments (millions)	Percent by EFT	Vendor Payments (millions)	Percent by EFT	Miscellaneous Payments (millions)	Percent by EFT
1996	4.7	84.0	1.8	3.0	9.4	8.0
1997	3.2	86.0	2.4	17.0	6.5	15.0
1998	2.7	92.0	2.1	18.0	6.8	35.0
1999	2.7	94.0	2.1	25.0	9.1	76.0
2000	3.0	96.0	2.2	31.0	10.6	78.0

The EFT data is from the Treasury Agency EFT Payment Report. The report is submitted to Treasury on a quarterly basis. The table above illustrate the progress made in the EFT program. The salary payment category is comprised of salaries, wage-withholdings, awards, and allotments (child support, Combined Federal Campaign, and garnishments). The vendor category is comprised of payments to contractors, businesses, utilities, and universities. Miscellaneous payments are comprised of interagency, loans, grants, and other program payments.

Fiscal Year	Total Payments (In millions of payments)	Total EFT Payments (In millions of payments)	Total EFT Payments (Percentage)
1996	15.9	5.0	31.4
1997	12.1	4.1	34.3
1998	11.5	5.2	45.2
1999	13.9	10.0	72.0
2000	15.8	11.8	75.0

The table shows that 75 percent of USDA's 15.8 million payments during FY 2000 were by EFT, up from 31 percent in FY 1996. USDA's FY 2000 EFT percent matched the Government wide goal for FY 2000 of 75 percent and the Government wide actual rate of 75 percent. Matching the Government wide EFT rate is a notable accomplishment because USDA is a large decentralized agency operating in many rural and remote locations. The miscellaneous payment category EFT rate increased from 8 percent in FY 1996 to 78 percent in FY 2000. This reflects an exceptional effort by all USDA agencies. During FY 2000, USDA paid 31 percent of vendors by EFT compared to a Government wide vendor rate of 59 percent. EFT payments to vendors continue to be a primary challenge for USDA, as it is for agencies across the Federal Government. The issues to be addressed are vendor awareness of the EFT requirements, adequate addenda information for vendors to reconcile invoices and payments, and EFT requirements in contracts in order to increase compliance by vendors.

Current Fiscal Year Performance: OCFO is on track to meet this performance goal. The debt collection efforts include increased usage of the Treasury Offset Program, cross-servicing, internal offset of USDA payments, and the use of private collection contractors. USDA plans to participate on Treasury's Vendor Workgroup to address Government wide and USDA vendor issues; mail inserts with vendor checks explaining the EFT requirements and providing sign-up information; implement the Payment Advice Internet Delivery (PAID) system to provide addenda information; and work closely with the procurement community to ensure that EFT requirements are included in contracts.

Program Evaluations: None.

Objective 1.4: Promote performance management and accountability throughout the Department.

Key Performance Goals

Issue Annual Program Performance Report or Accountability Report by due date.

Target: 3/31/00

Actual: Transmitted on 3/29/00

Issue Department-wide Strategic Plan by due date.

Target: 9/30/00

Actual: Transmitted on 9/29/00

2000 Data: The data for identifying the issue dates of the Annual Program Performance Report and Department-wide Strategic Plan are derived from the Transmittal letters signed by the Secretary of Agriculture. Transmittal letters formally transmit these documents to the President and the Congress. Target dates are derived from the Government Performance and Results Act (GPRA), of 1993, and the Office of Management and Budget's (OMB) Circular A-11.

Analysis of Results: OCFO met its performance targets by issuing USDA's FY 1999 Annual Program Performance Report and its Department-wide Strategic Plan for FY 2000 - 2005 on or before the due dates established by GPRA and OMB Circular A-11. Working with the agencies and mission areas of the Department, OCFO led USDA in developing and submitting these requirements.

During FY 2000, OCFO initiated the Department's transition efforts from an individual agency approach to a corporate performance management approach. This will have the effect of establishing USDA level plans and reports designed to meet the GPRA requirements, rather than separate documents for each agency of USDA. The first milestone of this transition was completed with the creation and submission of the Department-wide Strategic Plan. It represents USDA's combined efforts to establish and implement a corporate management approach to strategic planning.

Current Fiscal Year Performance: OCFO has continued to work with agency GPRA Coordinators and a Department-wide Planning Team to develop both a Department-wide Annual Performance Plan and Annual Program Performance Report that is in alignment with USDA's new Strategic Plan for FY 2000 - 2005. The issuance of these documents is scheduled to coincide with the requirements of GPRA and OMB's Circular A-11 for FY 2001.

Program Evaluations: GAO conducted a review of the U.S. Department of Agriculture's FY 1999 performance report and FY 2001 performance plan. On June 30, 2000, GAO issued their observations on USDA's plan and report for 5 key outcomes and major management challenges facing the Department. This review, titled Observations on the U.S. Department of Agriculture's Fiscal Year 1999 Performance Report and Fiscal Year 2001 Performance Plan (GAO/RCED-00-212R USDA's FY 1999 Performance Report and FY 2001 Performance Plan), can be downloaded from GAO's homepage at www.gao.gov.

The Mercatus Center conducted an evaluation of the U.S. Department of Agriculture's FY 1999 performance report. On May 3, 2000, the Center issued their evaluation that was designed to answer three questions: 1) Does the agency report its accomplishments in a transparent fashion?; 2) Does the report focus on documenting tangible public benefits that agency produced?; and 3) Does the report show evidence of forward-looking leadership that uses performance information to devise strategies for improvement? This evaluation, titled Performance Report Scorecard: Which Federal Agencies Inform the Public, can be downloaded from the Center's homepage at www.mercatus.org.

Goal 2: Implement an integrated financial management information system for USDA.

Key Performance Goal

Implement the Foundation Financial Information System (FFIS).

Target: 78%

Actual: 78%

USDA FFIS Implementations			
Fiscal Year	Total USDA Employment	Number of USDA Employees Served	Percentage of Total USDA Workforce
1999*	99,142	30,637	31%
2000*	95,142	46,235	46%
2001*	99,142	77,400	78%

*effective October 1.

2000 Data: The source of the data to compile the number of employees and percentage of the total USDA workforce using FFIS is a report entitled "Total FTE Employment: Max Schedule Q Detail," as of 12/27/00. In FY 1997, two regions and a research station of the Forest Service and the Office of the CFO implemented FFIS. In FY 2000, the remainder of the Forest Service and the Food Safety and Inspection Service implemented FFIS. In FY 2001, the Natural Resources Conservation Service, Rural Development, Animal and Plant Health Inspection Service, and Farm Service Agency implemented FFIS. The implementation of FFIS occurs when the agency begins the new year's financial management

processing in FFIS and converts the open items, ledger balances and budget authority from the legacy accounting system. There were also Financial Data Warehouse technology improvements, a new capability to produce the USDA consolidated Financial Statements and an automated Cash Reconciliation Worksheet System implemented FY 2001. All of these FFIS initiatives and achievements are part of the USDA CFO's plan to improve and integrate financial management at USDA.

Analysis of Results: In FY 2001, USDA successfully implemented a financial data warehouse technology upgrade to incorporate the use of on-line analytic processing (OLAP) tool. In addition, the USDA implemented an automated tool, as part of financial data warehouse, to support the production of the USDA Consolidated Financial Statements and to address the financial management integrated reporting requirements. The financial data warehousing strategy provides the major financial management reporting for the USDA agencies and supports a corporate reporting strategy which includes a financial statements capability.

As of FY 2001, FFIS now serves 77,400 employees or 78% of the USDA workforce and represents an important step toward improving USDA's financial accountability. It is also an important milestone in realizing the Secretary's commitment to financial management.

Current Fiscal Year Performance: The financial data warehouse provides the major financial management reporting for the USDA agencies and supports a corporate reporting strategy which includes a financial statements capability. In FY 2001, the USDA implemented an automated tool to support the production of the USDA Consolidated Financial Statements and to address the financial management integrated reporting requirements and an automated Cash Reconciliation Worksheet System was implemented to address major cash reconciliation issues that have plagued the USDA. These are two additional pieces in the financial management architecture being implemented at USDA through the FFIS initiative.

The FFIS Executive Steering Committee continues to oversee the project. Additionally, the Acting CFO is heading a group to develop a strategy for replacing the administrative systems providing data to FFIS to ensure the integrity of financial data from other sources. The corporate administrative system committee is an executive-level USDA initiative chartered by the previous Secretary and headed by the USDA CFO. This initiative addressed the administrative systems priorities in the Department and provided a strategy for funding these priorities. This committee designated 9 administrative system priorities; FFIS is priority number 1. The committee has worked effectively to receive Congressional acceptance to use unobligated balances to fund these priorities following approval of an overall plan.

Program Evaluations: OIG concluded a year-end FY 1999 FFIS evaluation OIG Report #50801-7-FM. This FY 1999 evaluation primarily focused on the legacy feeder systems and cash reconciliation issues. The Automated Cash Reconciliation Worksheet System was implemented to address the ongoing cash reconciliation issues and significant changes were made to the FFIS processing paradigm to decouple payroll processing and prevent cash reconciliation issues. The second major program evaluation addressed the ongoing architecture issues related to the legacy feeder systems. Significant analysis was performed during FY 2000 to identify feeders that could be integrated into the corporate systems. The potential integration of feeders into FFIS and other corporate systems or using service providers will be reviewed and planned during FY 2001.

Goal 3: Operate a financial center that produces timely and reliable information and services.

Objective 3.1: Improve efficiency and customer satisfaction with National Finance Center (NFC) operations.

Key Performance Goal

Measure level of increase in customer satisfaction

Target: Develop Baseline

Actual: Baseline of Customer Satisfaction established at 88%

2000 Data: During FY 1999 NFC made the determination to use both formal and informal means to assess customer satisfaction. The formal surveys were released during FY 2000 according to the following schedule:

January - June 2000	Help Desk Survey
July - September 2000	Web Survey
January - June 2000	Trained Customers Survey

FY 2000 surveys were distributed to customers who: (1) contacted the help desk; (2) represent each of the Departments serviced by NFC (Chief Financial Officers and Chief Information Officers); and (3) were trained by NFC representatives. Actual satisfaction result levels for each group were: Help Desk Survey = 100% Satisfied; Web Survey = 50% Satisfied; Trained Customers Survey = 87.9% Satisfied.

Analysis of Results: The FY 2000 survey results indicate that 88% of our customers are satisfied with the products and services offered by NFC. This compares favorably with survey results during FY 1996-1997 which indicated an 85% level of customer satisfaction, although with a different survey.

Current Fiscal Year Performance: Since the baseline of 88% customer satisfaction has been established, National Finance Center's goal for FY 2001-2002 is to identify and analyze suggestions offered by customers which will lead to improvements against that baseline.

Program Evaluations: None.

Key Performance Goal

National Finance Center to achieve Capability Maturity Model (CMM) Level 2 certification.

Develop implementation procedures

Target: Develop implementation procedures

Actual: Partially achieved/requirements management procedures not completed in FY 2000

2000 Data: The Applications Systems Division, which is the lead division for NFC systems development, has established teams and policies to facilitate development of processes and procedures to support achievement of the Capability Maturity Model (CMM) Level 2.

Analysis of Results: NFC Partially achieved the performance target. Technical groups have been established to develop processes for Requirements Management and Project Management. The

Requirements Management team has completed development work and is now proceeding with pilot and implementation activities. The Project Management team is in the developmental stages and will be developing a process through the first three quarters of FY 2001. As reported last year, NFC has already achieved CMM Level 2 for its Thrift Savings Plan Division, which means that CMM compliant software project management practices are in place and could be institutionalized within NFC. Our challenge continues to extend this process to the other development areas of the Center.

The Software Engineering Process Group (SEPG) is now positioned to support and advocate the implementation of the Software Process Improvement Plan. Orientation sessions have introduced selected staff to CMM and the roles and responsibilities of the SEPG. The establishment of dedicated teams and the identification of needed policies have laid the groundwork for additional movement toward CMM Level 2. Team meetings and discussions of processes and procedures have provided a better understanding of the volume and character of the pending workload. Additionally, these activities have given the organization better insight into its capacity to address the backlog of pending projects and maintenance. Understanding these issues is essential to tailor best practices to manage NFC's workload and place NFC in a position to better measure the impact of improvements.

Current Fiscal Year Performance: NFC continues to focus on five of the key areas of CMM needed to achieve full success: Requirements Management, Software Project Planning, Software Project Tracking and Oversight, Software Configuration Management, and Software Quality Assurance, but the realities of workplace priorities and increased demand for already scarce resources will likely result in NFC implementation of CMM exceeding the norm of 32 months. Acknowledging the importance of progress, however, CMM Level 2 achievement continues as a corrective action in the Office of the Chief Financial Officer FMFIA FY 2000 Report and is being tracked and reported as an action item.

Program Evaluations: None.

Objective 3.2: Expand the NFC customer base to increase volume and reduce unit cost.

Key Performance Goal

Increase number of newly implemented payroll accounts (number of new employees)	
Target: 10,000	
Actual: 19,178 (over two years; includes 1999-2000)	

2000 Data: During FY 1999 and FY 2000, NFC implemented 19,178 employees of new customer agencies into its payroll system. Accomplishing this FY 2000 goal was contingent on converting one-half of FSA's nearly 20,000 county office employees into NFC's payroll system in FY 1999 and the balance in FY 2000. Due to the large number of FSA sites, the total implementation spanned a 2-year period.

Analysis of Results: The number of new clients to be added, their location, and the number and complexity of transactions associated with them among other things affect the time it takes to implement new clients. Because of the complexity and interrelationship of all of these factors, NFC determined in FY 1999 that the 10,000 target for a single fiscal year is not always reasonable. Accordingly, the 10,000 performance goal was revised to reflect a 2-year average, providing for a much better reflection of the factors which are behind the success of customer implementation.

In FY 2000, the remainder of the 18,000 employees of the Farm Service Agency were added to the system, along with 350 from the Federal Elections Commission, twenty eight from the U.S. Chemical Safety and Hazard Investigation Board, and 800 from the Court Services and Offender Supervision Agency. The size variance alone of the agencies implemented this year helps demonstrate the complexity

of implementation planning, and at the same time demonstrates the results achievable in the competitive unit cost for all of our customers. The chart below reflects the reduction in unit cost pricing, resulting from the increased customer base.

Reduction in Unit Cost Pricing		
Average Number of Employees Paid Biweekly	Unit Cost	Fiscal Year
428,807	\$106.52	1998
430,086	\$102.36	1999
460,614	\$101.73	2000

Current Fiscal Year Performance: To meet the 10,000 new accounts for future years, NFC's Customer Support staff is actively pursuing participants by demonstrating products and services at conferences and expositions and at meetings with potential clients. NFC is currently working with the U.S. Agency for International Development to parallel test its implementation of 2,200 employees into the Payroll/Personnel System early in FY 2001.

Program Evaluations: NFC 's budget is reviewed on an annual basis by the Working Capital Fund Executive Committee, which has broad representation from USDA agencies.

Key Performance Goal

Annual increase in costs, exclusive of increases in costs supporting research and development or costs associated with increased volume, is less than 50 percent of the increase in the sum of pay costs and inflation, while maintaining high quality service

Target: Less than 50 percent

Actual: 8 percent decrease

2000 Data: While NFC's total operating costs increased in FY 2000 compared to FY 1999, the increase in total NFC costs was due to the increase in the operating costs of the Thrift Savings Plan System (TOP), which are underwritten by the Thrift Investment Board (TIB) from participants' contributions and are external to the President's budget. Growth in the levels of service requested by TIB for its clients caused the rise in TOP costs. When TOP growth costs are subtracted from NFC's costs, NFC's operating costs actually decreased from FY 1999 to FY 2000. Even with the increase in development costs in FY 2000, NFC's net operating cost decreased from FY 1999 to FY 2000.

	FY 1999	FY 2000	Difference	Percent Change
NFC Operating Costs	\$150,427,318	\$155,610,001	\$6,482,683	4%
NFC Operating Cost Excluding TOP	\$110,696,490	\$104,831,485	(\$5,865,005)	(5%)
NFC Development Cost	\$4,111,702	\$7,040,265	\$2,928,563	71%
NFC Net Operating Cost (Excluding TOP)	\$106,584,788	\$97,791,220	(\$8,793,568)	(8%)

Analysis of Results: NFC exceeded the performance goal. NFC's net operating costs decreased 8 percent from FY 1999 to FY 2000. The reduction did not negatively affect NFC's customers, and it is clear from customer feedback that USDA customers want more reductions in cost.

Current Fiscal Year Performance: NFC continues to focus on cost control and business process engineering efforts. In consultation with the OCFO, NFC is taking proactive steps in FY 2001 to position itself for the future and has the following cost management initiatives planned:

1. NFC has continued to investigate eliminating services or redirecting the responsibility for services from NFC back to the agencies.
2. NFC is implementing activity-based costing to support a "cafeteria" pricing methodology that will allow separate pricing for baseline service and optional service extras which can be directly billed. This pricing scheme would allow agencies to select the service level they require.
3. NFC is reducing staffing levels to the minimal level needed to support redefined service levels. NFC is staffing each billable system based on stated assumptions about what will occur on each system during the 2-year budget cycle. NFC assumed that there are two basic drivers of workload and subsequent staffing: trends in system volumes and the life cycle of the system.

Program Evaluations: NFC's operating budget, exclusive of support to the TIB, is subject to annual review by the Working Capital Fund Executive Committee and its working group.

OFFICE OF THE CHIEF INFORMATION OFFICER

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

Secretary's Memorandum 1030, pursuant to the Clinger Cohen Act of 1996, established the Office of the Chief Information Officer (OCIO). The OCIO has primary responsibility for supervision and coordination within the U.S. Department of Agriculture (USDA) of the design, acquisition, maintenance, use, and disposal of information technology by USDA agencies. The mission of the OCIO is to strategically acquire and use information and technology resources to improve the quality, timeliness, and cost effectiveness of USDA service delivery to its customers.

OCIO also has activities that are funded through the USDA Working Capital Fund (WCF). These activities, or cost centers, operate using a cost recovery method for services rendered.

The Goals and Objectives identified in the Revised 2000 and FY 2001 Annual Performance Plan are listed below. Each OCIO Program Activity follows with a description of the measurable indicators to support a specific Goal/Objective.

The OCIO developed its new strategic plan for FY 2000-2005. The new plan reflects a new mission, vision and comprehensive objectives based on technological changes and organizational priorities. Only Federal employees were involved in the preparation of this report.

OCIO PERFORMANCE SUMMARY

Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
Goal 1: Ensure decisions regarding the selection and deployment of information technology are based on USDA needs.	Establish USDA policy on IT management using the Capital Planning and Investment Control (CPIC) methodology:			
	Number of agency IT management reviews performed	2	6	7
	Develop and implement USDA Architecture:			
	Percent of agencies using ISTA	50	35	80
	Infuse Government and electronic data interchange technologies into business processes where applicable:			
	Number of agencies with electronic forms and automated directives systems	N/A	3	14
	Number of agencies using the Internet for program delivery, e.g. forms, loan balances	5	10	14
	Ensure that the Service Center technology improvements are driven by business needs and support re-engineered business processes:			
	Number of Service Center Oversight implementation progress and other reviews conducted	9	10	N/A
	Number of Service Center Implementation IV&Vs conducted	2	3	N/A

OCIO PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
Goal 2: Develop Department-wide information and technical infrastructures that will improve service delivery through more effective information systems and data management.	Ensure all USDA agency mission critical information systems are Year 2000 compliant and operational:			
	Percent Y2K awareness	100	100	100
	Percent Y2K assessment	100	100	100
	Percent Y2K renovation	100	100	100
	Percent Y2K validation	90	100	100
	Percent Y2K implementation	90	100	100
	Meet the mandated requirements of the President's Commission on Critical Infrastructure Protection (PCCIP) by developing a plan to protect USDA's critical infrastructures and putting the processes/mechanisms in place to implement the plan and update the plan on a 2-year cycle			
	Establish a Central Cyber Security Office:			
	Percent of staff on-board	0	25	33
	Establish a Departmental-level Risk Management Program:			
	Percent of agencies identifying critical assets and assess them for vulnerabilities	10	25	20
	Develop an USDA Information and Telecommunications Security Architecture:			
	Percent completion of security architecture	0	0	0
	Percent of agencies transitioned to FTS 2001 Long Distance service provider.	5	50	85
Goal 3: Be a leading innovative information technology services organization, experienced in providing quality and cost-effective services for centralized and distributed computing, and applications support. These activities are financed through the Departmental Working Capital Fund (WCF).	Establish an USDA Enterprise Network:			
	Develop a strategic plan	N/A	yes	yes
	Percent USDA Enterprise Network implemented	N/A	5	5
	Support the USDA Information Systems Technology Architecture			
	Percent of OCIO computing platforms that have a Web Interface	70	90	90
	Improve security of information processing resources	70	7 ¹	7
	Develop new services and increase our customer base for existing services.			
	Percent increase of new business based on new and existing services	5	5	8
	Improve customer service quality:			
	Percent Web Access to customer	100	100	100
	Percent Home Page is implemented	90	95	95
	Percent of employees that received training	80	85	100

¹ The performance target in the Revised FY 2000 and FY 2001 Annual Performance Plan was inadvertently set to a percentage, which has been found not to be readily measurable. Therefore, the target has been revised to be a count of major security improvements.

OCIO PERFORMANCE SUMMARY

Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
Management Initiative 1: Implement a professional development strategy to ensure that USDA's personnel possess the skills necessary to meet the challenges of effectively delivering programs and services with information technology	Increase agency acceptance/adoption of the CIO Councils IT core competencies	N/A	20	0
	Increase percent of executives/senior managers who integrate IT core competencies into their IT workforce planning	N/A	20	0
	Increase percent of USDA professional development Strategy implementation plan	N/A	20	30
Management Initiative 2: Continually improve the quality and effectiveness of the OCIO workforce and ensure Civil Rights of all	Increase employee morale			
	Percent of employees indicating medium to high morale	N/A	50	75
	Percent decrease in formal and informal complaints	N/A	50	80
	Provide civil rights training for all employees			
	Percent employees trained in civil rights	100	100	100
	Provide conflict management training for all employees			
	Percent of employees trained in conflict management	15	50	100

Goal 1: Ensure decisions regarding the selection and deployment of information technology are based on USDA business needs.

Objective 1.1: Use a decision making process within USDA that makes the program and IT officials responsible for IT investments.

Objective 1.2: Establish a standard Capital Planning and Investment Control (CPIC) Program in USDA to ensure IT investments are made in direct support of business objectives, managed prudently.

Key Performance Goal

Establish USDA policy on IT management using the CPIC methodology.

Number of agency IT management reviews performed

Target: 6

Actual: 7

2000 Data: Agency IT management reviews are performed at the request of, and/or under the leadership of OCIO. The data are examined in the reviews are gathered through several means: OCIO staff review of agency IT budget requests; agencies' use of the Information Technology Investment Portfolio System (I-TIPS) in managing their portfolios and reporting budgetary and

performance information for investments; and agency interviews of key personnel. I-TIPS is a Federal-wide tool for managing capital investments. During FY 2000, all USDA agencies used I-TIPS to manage their IT investment portfolios, and used some level of Capital Planning tenets in the management of these portfolios.

Analysis of Results: OCIO met the performance goal to establish USDA policy for using CPIC. OCIO exhibited strong leadership by expanding and improving the process for managing IT assets. This includes providing expanded guidance for the IT budget planning and review processes, expanding the use of I-TIPS, and utilizing the CPIC evaluation, scoring and ranking systems for all major USDA IT investments for budget years 2001 and 2002. Through reviews, OCIO can articulate/clarify policy and assure compliance. The reviews also enable OCIO to gather “lessons learned” and share them with other agencies as well as indicate where policy needs to be revised. OCIO worked with the agencies to improve their major system business case documentation. OCIO also provided written evaluations of this documentation and staff support to, and participated in, the Deputies Capital Planning Work Group (DCPWG) and the Executive Information Technology Investment Review Board (EITIRB). The DCPWG scored and ranked the systems and the EITIRB approved the investment decisions.

OCIO also exhibited strong leadership by participating in the government-wide capital planning efforts. The USDA CIO was the co-chair of the CIO Council’s Capital Planning and IT Management Committee. The CIO’s office also co-chaired the I-TIPS Change Management Committee. By participating on these committees, OCIO is able to learn best practices from other Departments and share I-Tips development cost.

Current Fiscal Year Performance: During FY2001, OCIO is working with the agencies, the DCPWG, and the EITIRB to continue to improve the quality of capital planning. This includes a reengineering of the USDA CPIC process and creation of better documentation to support CPIC. OCIO is also working to provide better tools, training and templates for IT capital planning. Progress in this area is dependent upon resources received.

Program Evaluations: OCIO conducted seven IT investment management reviews covering 14 agencies concerning the status of IT capital planning. The reviews included interviewing agency Deputy Administrators for Management and CIOs to determine the agencies’ internal use of a formalized capital planning process, use of I-TIPS, and input into USDA’s capital planning investment control process for major investments.

Objective 1.3: Identify opportunities for streamlining program and administrative business activities, and the technology that supports them, through the development and implementation of a business/data architecture.

Key Performance Goal

Develop and implement an USDA Enterprise Architecture (EA):

Percent of agencies using EA

Target: 35

Actual: 80

Infuse Government and electronic data interchange technologies into business processes where applicable:

Number of agencies with electronic forms and automated directives systems

Target: 3

Actual: 14

Number of agencies using the Internet for program delivery, e.g. forms, loan balances

Target: 10

Actual: 14

2000 Data: The above data was developed through observation, meetings with USDA agencies, inter-agency groups, moratorium waiver requests, and the capital planning and investment control process. The data is based on OCIO staff observations about agencies' architecture approaches and their use of the Enterprise Architecture principles, standards, and methods. Thus, the data are sound and reliable.

Analysis of Results: OCIO met this performance goal. OCIO published two drafts of the Enterprise Architecture, conducted Enterprise Architecture training for the business and information technology communities, and published version 2 of the Enterprise. OCIO developed an Enterprise Architecture Compliance Scorecard that was used in conjunction with the capital planning and investment control process. USDA is following the National Institute of Standards and Technology (NIST) model for the architecture. The 5 layers of the architecture are: business; information; applications, data; and technology. Compliance for the technology portion is approaching 100%. USDA has also witnessed a narrowing of the product base as agencies implemented industry preferred products to facilitate seamless communications with their customers and stakeholders. Most agency employees can communicate internally and with other USDA agencies via local and wide area networks. Communication with other Federal agencies and customers and partners are enabled through the use of the Internet. The Internet is being used to share information about USDA programs and services and for electronic mail exchange with external customers and partners.

For the business and data portion of the architecture, change is much slower than for the technology portion. There are opportunities for coalescing applications and systems that will be addressed through both the architecture and capital planning and investment control governance processes. Fundamentally changing the way agencies do business and address data sharing is a monumental undertaking. USDA agencies are partnering with other USDA agencies and Federal agencies and state and local governments in information and data sharing activities using common databases and web-enabled applications.

In addition, USDA has begun to lay the groundwork for transforming USDA's internal and external business processes to an electronic government approach. USDA is disseminating program information via the Internet and is using electronic forms both internally and with the public. As USDA implements the Government Paperwork Elimination Act, additional work will be required by the agencies to transform their processes to a robust electronic government paradigm.

Current Fiscal Year Performance: During FY 2001, planned actions include analyzing the architecture applications inventory to identify potential areas to eliminate duplications and coordinate resources; reviewing investment plans to identify opportunities for sharing and cost savings and increasing the number of Commercial off-the-shelf (COTS) products in use.

Program Evaluations: OCIO performed an informal self-evaluation of itself against the Federal Architecture Model and architecture compliance methodologies endorsed by the CIO Council. After evaluation, OCIO determined that its architecture approach aligns with that of other Federal agencies.

Objective 1.4: Establish an assessment methodology for Departmental and agency IRM programs that will ensure sound management practices are being used to achieve measurable improvements.

Key Performance Goal

Ensure that the Service Center technology improvements are driven by business needs and support re-engineered business processes:

Number of Service Center Oversight implementation progress and other reviews conducted

Target: 10

Actual: 0

Number of Service Center Implementation IV&V's conducted

Target: 3

Actual: 0

2000 Data: None was collected for this performance goal.

Analysis of Results: This performance goal was not met. In March 2000, the Deputy Secretary of Agriculture gave the USDA Chief Information Officer direct management responsibility for the IT component of the Service Center Modernization Initiative (SCMI). This new direct role obviates the need for this objective.

Current Fiscal Year Performance: OCIO's Strategic Plan for FY2000-2005 contains a new objective that replaces this objective reflecting this new role.

Program Evaluation: The success of the SCMI, relies heavily on the partnerships developed among the three Agencies and the OCIO. All SCMI Information Technology activities are

coordinated through the Information Technology Working Group (ITWG) under the direction of the OCIO. The ITWG includes the CIO's of the three Agencies, SCMI-IT Team Leaders, employee organization representation and partner representation. To ensure that the business needs of the agencies are driving the need for technology improvements, the Executive Director of the National Food and Agriculture Council represents the program interests on the ITWG. A Senior Executive from the OCIO chairs the ITWG.

Description of Actions and Schedules: In partnership with the above agencies, OCIO is on target to ensure the basic common computer environment technology infrastructure becomes operational in FY2002. Because of the change in OCIO's role from strictly oversight to active management of the SCMI-IT, the key performance goals changed. The reviews and IV&V's scheduled for 2000 were not completed. OCIO is now actively managing the SCMI-IT project and this change is reflected in the most recent Annual Performance Plan.

Goal 2: Develop Department-wide information and technical infrastructures that will improve service delivery through more effective information systems and data management.

Objective 2.1: Develop and implement technical standards for USDA that will facilitate the adoption of specific information technologies necessary to support mission objectives and re-engineered streamlined business processes.

This objective duplicates Goal 1, Objective 1.3 and has been revised in the FY 2000 – 2005 Strategic Plan.

Objective 2.2: Assess established and emerging technologies, including hardware, software, communications, artificial intelligence, and other aides to human decision making, for opportunities to improve its service delivery.

This objective duplicates Goal 1, Objective 1.3 and has been revised in the FY 2000 – 2005 Strategic Plan.

Objective 2.3: Develop and implement funding and acquisition strategies to implement information technology initiatives.

This objective duplicates Goal 1, Objective 1.2 and has been revised in the FY 2000 – 2005 Strategic Plan.

Objective 2.4: Ensure that USDA's mission-critical systems nation-wide are Year 2000 compliant by March 31, 1999. Provide guidance and leadership for the Department and Agencies on all aspects of USDA Year 2000 program activities. Mitigate the Year 2000 associated risks in information systems, telecommunications systems and vulnerable systems and processors with embedded chips.

Key Performance Goal

Ensure all USDA agency mission critical information systems are Year 2000 compliant and operational.

Percent Y2K awareness

Target: 100

Actual: 100

Percent Y2K assessment

Target: 100

Actual: 100

Percent Y2K renovation

Target: 100

Actual: 100

Percent Y2K validation

Target: 100

Actual: 100

Percent Y2K implementation

Target: 100

Actual: 100

2000 Data The Year 2000 implementation phase included deployment and implementation of converted or replaced systems and implementation of business continuity contingency plans, if necessary.

Analysis of Results: This performance goal was met. As a result of the above efforts, all 344 of USDA's mission-critical systems are Year 2000 compliant. In addition, all 336 of USDA's non-mission critical systems are Year 2000 compliant. USDA inventoried its data exchanges and identified exchanges with federal, state, local government, private sector, and foreign and private partners. USDA tracked 473 data exchanges representing 1,480 exchange partners. All data exchanges were compliant and implemented. USDA-occupied buildings (owned and leased) were compliant.

Current Fiscal Year Performance: N/A

Program Evaluations: The USDA IV&V effort was conducted in two phases. Phase One evaluated system development products; reviewed and conducted spot checks on testing activities; and monitored development efforts from project start-up to closeout. Phase Two involved the scanning of more than 55 million actual lines of code for possible errors. All IV&V efforts were successfully completed and documented.

Objective 2.5: Meet the mandated requirements of the President's Commission on Critical Infrastructure Protection (PCCIP) by developing a plan to protect USDA's critical infrastructures and putting the processes/mechanisms in place to implement the plan and update the plan on a 2-year cycle.

Key Performance Goal

<u>Establish a Central Cyber Security Office:</u>	
Percent of staff on-board	
Target:	25
Actual:	33

2000 Data: It is estimated that approximately 25 employees are needed for the Cyber Security Program Office to provide USDA information system users and managers with the security expertise and experience necessary to ensure the integrity and availability of the Department’s invaluable information assets. At the end of FY 2000, the Cyber Security Staff included eight security specialists and is being managed by a manager hired specifically for his years of experience and accomplishment in the security field.

Analysis of Results: This performance goal was met. OCIO’s “Action Plan to Strengthen USDA Information Security” provides a sound strategy, based on the best practices of leading organizations, for identifying vulnerabilities and implementing mitigation procedures and mechanisms. It identifies the need for a centralized cyber security office and plans are currently underway to establish a USDA Cyber Security Program Office within OCIO. As a result of surpassing the target, USDA agency security staffs are much better positioned to address cyber security needs and requirements. Expertise brought into the Cyber Security Program Office has elevated the awareness of security awareness and technique. OCIO central security staff is proactive and knowledgeable. A hands-on strategy is being implemented and both individual and group security training is being provided.

Current Fiscal Year Performance: Additional funding specific to staffing has been received for FY 2001.

Program Evaluations: Both the General Accounting Office and USDA’s Office of Inspector General have issued reports that encourage USDA to implement its strategy for improving the Department’s cyber security posture. A key component of this strategy is the establishment of a central Cyber Security Program Office.

Key Performance Goal

<u>Establish a Department-level Risk Management Program:</u>	
Percent of agencies identifying critical assets and assess them for vulnerabilities	
Target:	25
Actual:	20

2000 Data: Information regarding USDA’s critical cyber infrastructure assets and asset vulnerabilities is provided by individual USDA agencies. OCIO, with assistance from agency security specialists, developed a USDA Critical Infrastructure Assurance Plan, required by Presidential Decision Directive (PDD63). In addition to the plan, PDD63 calls for a security assessment of each agencies critical infrastructure assets. As part of OCIO’s annual call for

information system security plans, agencies were provided additional requirements to meet this mandate.

Fifty-two major systems have been identified as mission critical. Of these, many reside either at USDA's National Finance Center in New Orleans, Louisiana, or at the National Information Technology Center in Kansas City, MO. Cyber security assessments, including assessment of physical security requirements have been conducted at each site, and vulnerabilities have been identified. In addition, individual agencies, which manage other mission critical systems, have performed cyber security risk assessments.

Analysis of Results: This performance goal was not met. Until the establishment of OCIO's Cyber Security Program Office, USDA agencies were responsible for conducting security assessments of the systems they operated and managed. What security risk assessments that were performed were often incomplete and conducted in a non-standard manner. OCIO has now embarked on a strategy to establish a common methodology with standardized tools that agencies and OCIO will use to conduct security assessments such that the results will be reported thoroughly and in a common manner. With contracted expertise, OCIO has established a comprehensive set of cyber security requirements and is poised to develop a set of standard security checklist for agencies to use when assessing mission critical systems. OCIO is convinced that this strategy will lead to greatly improved analysis of USDA cyber security vulnerabilities

Current Fiscal Year Performance: OCIO's strategy for improving USDA's cyber security posture relies on the establishment of a sound information system risk assessment program that fulfills the requirements of PDD 63. OCIO will continue to work with agencies to establish structured and rigorous security assessment procedures and tools. Agencies are becoming more comfortable with and experiences in the art of vulnerability assessment and are expected to expand their efforts in this regard throughout FY 2001. Likewise, OCIO's Cyber Security Program Office will be conducting oversight and independent assessments to ensure agencies possess the expertise to identified security needs and implement strategies that mitigate risks to an acceptable level.

Description of Actions and Schedules: During FY 2001, OCIO will obtain contractor support that will assist in conducting security assessments.

Program Evaluations: Both the General Accounting Office and USDA's Office of Inspector General have issued reports that encourage USDA to implement its strategy for improving USDA's cyber security posture. A key component of this strategy is the establishment of an information systems risk assessment methodology that will be used to assess the Department's mission critical information systems.

Key Performance Goal

Develop an USDA Information and Telecommunications Security Architecture:

Percent completion of security architecture

Target: 0

Actual: 0

2000 Data: N/A

Analysis of Results: N/A

Current Fiscal Year Performance: A key component of OCIO strategy to improve the Department's cyber security program is the identification and implementation of information systems security architecture. No funding was available in FY 2000 to begin this effort, but funding within OCIO's FY2001 budget is targeted specifically to this effort.

Program Evaluations: None conducted in FY 2000.

Key Performance Goal

Percent of agencies transitioned to FTS 2001 Long Distance Service Provider:

Target: 50

Actual: 85

2000 Data: USDA made significant progress in the transition to the FTS 2001 contract. Before the FTS 2000 contract expired in December 2000, USDA had reached an overall transition completion rate of 85%.

Analysis of Results: This performance goal was met. The transition to the FTS 2001 contract was among OCIO's highest priorities. We exceeded our initial target and continue to work aggressively to complete.

Current Fiscal Year Performance: OCIO will continue to work with the USDA agencies and staff offices, the General Services Administration (GSA) and the FTS 2001 service provider, Worldcom, and overcome transition obstacles. Several key issues have contributed as impediments to USDA's transition: (1) lack of coordination between AT&T (FTS 2000 service provider) and Worldcom, (2) AT&T disconnect orders not being processed, (3) the local Verizon strike, and (4) remote access requirements.

Program Evaluations: For an agency the size of USDA, OCIO considers the Department's transition progress during 2000 exceptional. We anticipate that our transition efforts will be completed during June 2001. The OCIO monitors the progress of the FTS 2001 Transition via network usage reports available from Worldcom through the OCIO's Fort Collins, CO office. The OCIO has also received status updates from GSA at the monthly Transition Task Force meetings and through a monthly electronic mail distribution process.

Key Performance Goal

Establish an USDA Universal Telecommunications Network:

Develop strategic plan

Target: yes

Actual: yes

Percent USDA Universal Telecommunications Network implemented

Target: 5%

Actual: 5%

2000 Data: A comprehensive investment proposal for the Universal Telecommunications Network (UTN) project was developed and processed through the USDA capital planning and investment review process. The Executive Information Technology Investment Review Board (EITIRB) approved the UTN project with the conditions that the newly established USDA Telecommunications Advisory Council (TAC) has go/no-go decision authority at the start of each major project phase. The UTN project was ranked as the Department's second highest priority in the USDA administrative investment portfolio, and the Working Capital Fund approved project funding for FY 2001. In addition, security was strengthened at each of the existing Internet Access Nodes with the installation of a standardized security stack consisting of firewalls, intrusion detection systems (IDS), routers, and switches. Additional nodes will be added based on business requirements and architecture design analyses.

Analysis of Results: This performance goal was met. Utilization of the existing network backbone has been increasing at an exponential rate over the past few years. Bandwidth on demand has become a critical success factor in USDA's ability to deliver its programs successfully. OCIO has expanded the circuit bandwidth sevenfold with only a fourfold increase in costs since 1998. OCIO will be actively monitoring network utilization in order to predict trends and increase bandwidth accordingly. This action will result in a reduction of the percentage of average utilization of network capacity in the future.

Current Fiscal Year Performance: During FY 2001, OCIO will establish a UTN Project Office, headed by a Project Manager, that will be dedicated to performing the project management functions necessary for the success of one of USDA's most critical program delivery support functions. The Project Manager will work with USDA Associate Chief Information Officer for Telecommunications and the Telecommunications Advisory Council to: (1) complete the business case that identifies USDA's corporate telecommunications and network security requirements; (2) design the architecture to support the business case; (3) manage a competitive acquisition to determine USDA's telecommunications service provider; and (4) begin to coordinate the transition from the existing networks to the new corporate network architecture.

Program Evaluations: The UTN project will be managed with ongoing agency feedback and involvement during each of the critical phases of: business case development; architectural/network design; competitive acquisition development/management; and transition to the new corporate network architecture. Concurrence by the Telecommunications Advisory

Council (TAC), which is comprised of selected agency CIOs or designated agency representatives, is required before the start of a new phase. Independent verification and validations (IV&V) efforts will be conducted as the TAC deems appropriate.

Goal 3: Be a leading innovative information technology services organization, experienced in providing quality and cost-effective services for centralized and distributed computing and applications support. These activities are financed through the Departmental Working Capital Fund (WCF).

Key Performance Goal

Support the USDA Information Systems Technology Architecture:	
Percent of OCIO computing platforms that have a Web interface	
Target:	90
Actual:	90

2000 Data: In FY 2000, the OCIO NITC reached its goal of 90 percent completion of providing Web access to all computing platforms.

Analysis of Results: This performance goal was met. The NITC has a Sun computing platform, and four mainframe platforms: Two for USDA, one for FAA, and one for the FFIS Data Warehouse. The Sun Platform had Web Access in FY 1998, via the Oracle Webserver. In FY 1999, the NITC implemented Web access on the two USDA mainframes via IBM’s Websphere and IBI’s Web 390 in test mode. In FY 2000, the NITC implemented two G5 mainframes to support Web access to the USDA mainframe platform. These are in test mode, are planned for production in the spring of FY 2001. In FY 2000, the NITC also implemented Web access to the FFIS Data Warehouse via a Brio server running on an NT platform, with Microsoft’s IIS server. Finally, in FY 2000 the NITC implemented Web access for the FAA to their mainframe platform via three Web servers in production, as well as 16 Web servers in test mode, via IBM’s Websphere product, LDAP and DB2. Production is planned for the test Web servers for FY 2001.

Current Fiscal Year Performance: NITC placed great emphasis on Web access in FY 2000, and successfully implemented it on the FFIS mainframe platform via a Brio Web server running on NT. The NITC has also fully configured and implemented test environments this year for the USDA and FAA mainframe platforms, and implemented three Web servers for the FAA in production. The NITC is scheduled to go to production with Web Access to the USDA mainframe platform in spring of FY 2001. Full production for Web access to the FAA mainframe platform is planned for FY 2001 as well.

Program Evaluations: At this early date, Web access is not known to have been the focus of any program evaluation.

Key Performance Goal

Support the USDA Information Systems Technology Architecture:

Improve security of information processing resources

Target: 7

Actual: 7

2000 Data: In FY 2000, the NITC made 7 major security improvements. However, the performance target in the Revised FY 2000 and FY2001 Annual Performance Plan was inadvertently set to a percentage, which has been found not to be readily measurable. Therefore, the target has been revised to be a count of major security improvements.

Analysis of Results: NITC placed great emphasis on improving security of information processing resources and accomplished scheduled actions and plans in this area.

Current Fiscal Year Performance: In FY 2001, the OCIO NITC is continuing to improve security in the following areas: implemented intrusion detection with ISS Real Secure and CA Session Wall on network and client server LAN segments; implemented the Virtual Private Network (VPN) encryption into production for FNS; enabled and configured cryptographic co-processors on FAA and USDA mainframe platforms; customized and implemented the OS/390 firewall on the USDA Web systems; implemented access control on the FAA Web test system; implemented a process on USDA production system to suspend and delete inactive user ids; and enhanced physical security by upgrading the facilities internal and external access control systems.

Program Evaluations: None conducted in FY 2000.

Key Performance Goal

Develop new services and increase customer base for existing services.

Percent increase of new business based on new and existing services

Target: 5

Actual: 8

2000 Data: In FY 2000, NITC added over three million dollars of revenue in new business, producing an increase of over 8 percent.

Analysis of Results: This performance goal was met. NITC's FY 2000 new business comprised both mid-range and mainframe platform work. New mid-range business included the Forest Service (FS) Safety and Health Integrated Personnel System (SHIPS), the FS Resource Order and Status System (ROSS), the Farm Service/Rural Development Data Warehouse, and the Federal Aviation Administration Web Access Server. This year's performance exceeded the performance objective by more than three percent.

Current Fiscal Year Performance: NITC is continuing to develop new services and increase customer base for existing services.

Program Evaluations: No formal performance evaluations have been conducted. However, every possible new business opportunity is evaluated.

Key Performance Goal

<u>Improve customer service quality</u>

Percent Web Access to customer

Target: 100

Actual: 100

2000 Data: In FY 2000, Web access to the customer at the NITC is 100 percent.

Analysis of Results: This performance goal was met. NITC provides Web access to customers via numerous platforms and Web servers, including Brio servers on the NT platform, Oracle Web servers on the Sun platform, Apache Web servers on the AIX platform, and IBM's Websphere and IBI's Web 390 on the mainframe platforms.

Current Fiscal Year Performance: This objective is discontinued. Even though this is an important part of our business, collecting associated data was difficult due to the complexity of the systems. Additionally, data collected does not contribute to the performance relative to the goal.

Program Evaluations: At this early date, Web access is not known to have been the focus of any program evaluation.

Key Performance Goal

<u>Improve customer service quality</u>

Percent Home Page is implemented

Target: 95

Actual: 95

2000 Data: In FY 2000, approximately seven feature article updates to the home page and thirty-seven customer notifications were posted to the NITC Web site. Two months following the millennium rollover, all pages, graphics, buttons, etc. referring to Y2K projects were removed. Routine updates (management contacts, personnel changes, mainframe rates) were also applied to the site as required.

Analysis of Results: This performance goal was met. In FY 2000, several areas of the Home Page remained or under-developed, but the site is approximately 95 percent complete.

Current Fiscal Year Performance: This performance goal is discontinued. This has proven to be an important customer service, however, once the home page was implemented it is constantly changed. The data did not contribute to the measurement of performance relative to the goal. This year's performance met the performance objective.

Program Evaluations: No formal performance evaluations have been conducted.

Key Performance Goal

Improve customer service quality

Percent of employees that received training

Target: 85

Actual: 100

2000 Data: In FY 2000, 100 percent of NITC's employees received training.

Analysis of Results: This performance goal was met. NITC continued an aggressive training program in FY 2000, ensured that every employee received training, and exceeded its targets. Training will include subjects such as Ethics, Writing Position Descriptions, Developing Effective Performance Standards, Customer Relations, and technical topics such as Project Management, OS/390, Web Servers, and UNIX.

Current Fiscal Year Performance: In Fiscal Year 2001, NITC is continuing to ensure every employee is trained. Training will include subjects such as Ethics, Writing Position Descriptions, Developing Effective Performance Standards, Customer Relations, and technical topics such as Project Management, OS/390, Web Servers, and UNIX.

Program Evaluations: No formal program evaluation was conducted, but it is expected that training will be reviewed during the Fiscal Year 2001 review and updating of the NITC Strategic and Tactical Plans.

Management Initiative 1: Implement a professional development strategy to ensure that USDA's IT personnel possess the skills necessary to meet the challenges of effectively delivering programs and services with information technology.

Objective: Assess the skills of USDA's IT personnel, identify deficiencies, and take corrective action to train employees. Establish a professional development program so that it addresses both the needs of those who deliver and support technology within the Department, as well as those who use it. Together with the Office of Human Resources Management (OHRM), manage a IT Workforce Planning and Development Working group which ensures active agency participation in USDA's IT workforce improvement effort.

Key Performance Goal

Increase percent of Agency acceptance/adoption of the CIO-Council's IT core competencies

Target: 20

Actual: 0

Increase percent of executives/senior managers who integrate IT core competencies into their workforce planning.

Target: 20

Actual: 0

Increase percent of completion of USDA professional development strategy implementation plan.

Target: 20

Actual: 30

2000 Data: During FY 2000 data used to describe USDA's current IT workforce was prepared from workforce and personnel action summary reports run on the National Finance Center (NFC) Reporting web site. The analysis team ran approximately 400 reports of workforce and personnel action data from NFC.

Analysis of Results: This performance goal was not met. The targets for the first two goals listed above were not achieved in FY 2000 because of the emphasis on developing a professional development strategy. OCIO surpassed its target goal of achieving 20 percent completion of USDA's professional development strategy due to the major progress made in the completion of the comprehensive report, *Analysis of USDA's IT Workforce*. This report analyzes the seven major IT series represented in the USDA workforce from 1996 to 2000. In addition, the *Analysis of USDA's IT Workforce*, which will be completed in the first quarter of FY 2001, uses computer modeling based on various assumptions about future hiring and retirement patterns to forecast workforce trends through 2005. The report concludes that USDA faces the following three major IT workforce challenges: 1) growing retirement eligibility; 2) high turnover at lower grades; and 3) rising average grade levels, leading to a reduced number of employees in the IT developmental pipeline. It will serve as a critical baseline and solid foundation for achievement of the first two goals listed in this Management Initiative as well as for numerous other USDA IT workforce improvement initiatives.

Current Fiscal Year Performance: It is expected that USDA's comprehensive report, *Analysis of USDA's IT Workforce*, which was initiated in FY 2000, will be completed in the first quarter of FY 2001. This will provide USDA's IT community with a wealth of information of the current and future trends in the composition and overall status of the current IT workforce. As follow-up to this report, USDA will address the critical goals cited in this Management Initiative, namely, increase in percentage of Agency acceptance/adoption of the CIO Council's IT core competencies and increase in the percentage of executives/senior managers who integrate IT core competencies into their workforce planning.

Description of Schedules & Actions: USDA is aggressively tackling the workforce planning issue. USDA's OCIO is an active member of Federal CIO Council, which provides the vehicle in keeping abreast of what IT initiatives and activities are occurring across the federal sector. USDA has established an IT Workforce team within the Office of the Chief Information Officer that is working with the Human Resources Management organization to provide information and guidance concerning workforce planning. One of the major tasks for the IT Workforce team is to develop a workforce plan, which is scheduled for completion in the second quarter of FY 20001. Initially, the workforce plan will be used within OCIO with the goal to make it available Department-wide. One area that is being emphasized is the need for a skills assessment. This will be performed in conjunction with an analysis of the skills/competencies needed for both existing and future positions. OCIO will recruit an agency to pilot this activity. This will provide the agency with a basis for developing career paths and corresponding training

programs. USDA has also established a workforce planning working group consisting of USDA agencies that meet and share information on internal and external activities.

Program Evaluations: OCIO will evaluate the success of this effort through feedback received from the HR and IT members of the Department's IT-HR IT Workforce Planning and Development Working Group. Further, OCIO will evaluate success by tracking the turnover rate of IT professionals at USDA, using the *Analysis of USDA's IT Workforce* as a reliable baseline. Surveys and anecdotal evidence from USDA's IT employees has revealed that access to training opportunities is a key factor in retaining IT professionals. The intent is that one of the by-products of implementation of these performance goals will be more training made available to IT employees leading to more satisfied employees and decrease in turnover.

Further the 2000-2005 OCIO Strategic Plan will reflect new initiatives developed as part of USDA's IT workforce improvement program. These initiatives will be broader in scope than the initiatives cited in this document.

Management Initiative 2: Continually improve the quality and effectiveness of the OCIO workforce and ensure the civil rights of all.

Objective: The OCIO will train and recruit personnel to meet its mission and continually improve its workforce by selecting and retaining top-quality individual and improving employees' skills.

Key Performance Goal

Increase employee morale:

Percent of employees indicating medium to high morale

Target: 50%

Actual: 75%

Percent decrease in formal and information complaints

Target: 50%

Actual: 80%

Provide Civil Rights training for all employees:

Percent of employees trained in Civil Rights

Target: 100%

Actual: 100%

Provide conflict management training for all employees:

Percent of employees trained in conflict management

Target: 50%

Actual: 100%

2000 Data: Baselines established for increasing employee moral and decreasing formal and informal complaints are based on goals established by OCIO senior management. Percentages for Civil Rights training and Conflict Management training are based on information obtained from accurate and reliable agency records (e.g. training, EEO profiles, supervisory/employee ratio).

Analysis of Results: This performance was met. OCIO has developed an approach to improving the quality and effectiveness of the OCIO workforce and ensuring the Civil Rights of all. In particular, one aspect of this approach resulted in the development of a comprehensive Civil Rights Training Program for all employees. In FY 2000 100% of OCIO employees completed mandatory training established by the Secretary of Agriculture, which included Equal Employment Opportunity and Cultural Diversity training..

OCIO established a baseline in FY 2000 of providing conflict management training for 50% of its employees. One hundred percent (senior managers) received training to achieve a basic level of competency in conflict management skills.

Current Fiscal Year Performance: OCIO will include, in FY 2001, Civil Rights awareness training to incorporate emphasis in two areas mandated by the Secretary: Disability and Diversity training.

Program Evaluations: OCIO is devoting both money and resources to assuring that the civil rights for all employees are respected. There was no formal evaluation of this program in FY 2000, however, OCIO has steadily reduced its inventory of active EEO complaints.

SERVICE CENTER MODERNIZATION INITIATIVE (SCMI)

FY 2000 ANNUAL PERFORMANCE REPORT

The SCMI is an outgrowth of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 as well as efforts dating back to 1993 on the part of county-based USDA agencies to collocate field offices and improve business practices. Participating agencies include the Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS) and the Rural Development Mission Area, made up of the Rural Housing Service (RHS), Rural Business Cooperative Service (RBS), and the Rural Utilities Service (RUS).

The Service Center mission is to, in partnership with individuals and communities, deliver agricultural, rural development, and natural resource programs efficiently and with a quality of service that exceeds customer expectations.

The SCMI is currently implementing five strategies: Business Process Reengineering (BPR), Integrated Information Technology, Preparing for the Human Side of Change, Building Partnerships and Improving Customer Satisfaction. These strategies are incorporated in two major program groups: Business Process Reengineering (BPR) and Integrated Technology.

Through FY 2000, SCMI has been funded through its partner agencies and a FY 1996 \$7.5 Million no-year appropriation under the Office of the Secretary.

More information on the SCMI can be found in the Service Center Modernization Plan of the USDA County-Based Agencies and the SCMI's Annual Performance Plan.

The following table provides summary information on the SCMI's achievement of FY 2000 Performance Goals.

SCMI PERFORMANCE GOAL SUMMARY			
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance	
		Target	Actual
Goal 1 Develop seamless program delivery and customer outreach processes that improve the quality of customer service, deliver products and services at reduced costs, and reduce the burden on the USDA customer.	Increase percentage of customers satisfied with program delivery: Producers Housing	96% 97%	Not measured
	Increase percentage of customers satisfied with service quality: Producers Housing	97% 93%	Not measured
	Reengineer Service Center business processes (completion through design phase).	63%	60%
	Reduce labor time required to provide services in Service Centers.	14%	14%
	Reduce customer paperwork burden.	15	15%

SCMI PERFORMANCE GOAL SUMMARY			
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance	
		Target	Actual
	Reduce customer travel time to Service Centers (one hour or less of travel time): Producers Housing	90% 90%	Not measured
Goal 2 Deploy a shared information technology system for USDA offices that will enable reengineered business processes that improve customer service and reduce program delivery costs and customer burden.	Percentage of certified Service Centers with LAN/WAN/Voice installed.	98%	97%
	Percentage of state offices with LAN/WAN/Voice installed.	49%%	NA
	Percentage of Common Computing Environment (CCE) workstations deployed (65%%	NA
	Percentage of counties with orthoimagery.	67%%	78%
	Percentage of counties with common land unit.	12%%	6%
	Percentage of counties with soils data.	32%%	32%

Goal 1: Develop seamless program delivery and customer outreach processes that improve the quality of customer service, deliver products and services at reduced costs, and reduce the burden on the USDA customer.

Objective: By FY 2002, achieve success rates of at least 90% with respect to customer satisfaction with Service Center program and service delivery.

Objective: By FY 2003, reduce the labor time required to deliver programs and reach out to USDA customers at the Service Centers by 25% while decreasing the paperwork burden on customers by 35%. These targets represent the combined Business Process Reengineering (BPR) and ongoing collocation of remaining Service Centers.

Key Performance Goals

Increase percentage of customers satisfied with program delivery

Target: 90%

Actual: Not measured in FY 2000

Increase percentage of customers satisfied with service quality

Target: 90 %

Actual: Not measured in FY 2000

Percentage of Service Center Businesses reengineered

Target: 63%

Actual: 60%

Percentage reduction in Service Center labor time required to deliver programs.

Target: 14%

Actual: 14%

Percentage reduction in paperwork burden

Target: 15%

Actual: 15%

Percentage reduction in customer time spent traveling to Service Centers

Target: 90%

Actual: Not measured in FY 2000

2000 Data: All data above is as of the end of FY 2000. The data for the performance measures 1, 2, and 6 are not available as of the end of FY 2000. No Customer Service Survey was conducted under the auspices of NFAC in FY 2000 although NRCS and FSA participated in the GSA-sponsored American Customer Satisfaction Index Survey in FY 2000 conducted by the University of Michigan. The results are not expected until mid-April 2001 or early May 2001. The data for performance measures 3, 4, and 5 come from the business case reviews of BPR projects and some pilot testing conducted during FY 2000. While still considered reliable, these data are based on estimates that are difficult to verify. .

Customers Satisfied with Program Delivery				
Year	Actual		Target (+3%)	
	P	H	P	H
1997	93%	89%	Benchmark	
1998	Not Measured		N/A	N/A
1999	91%	92%	93%	89%
2000	Not	Measured	93%	89%
2001			93%	89%

Legend: P = Producers
H = Housing Borrowers

Customers Satisfied with Service Quality				
Year	Percent Satisfied		Target (+3%)	
	P	H	P	H
1997	94%	85%	Benchmark	
1998	Not Measured		N/A	N/A
1999	92%	88%	94%	85%
2000	Not	Measured	94%	85%
2001			94%	85%

Legend: P = Producers
H = Housing Borrowers

Service Center Business Processes Reengineered				
Year	# Reengineered	Total	Percent	Target
1998	0	19	0%	15%
1999	11	19	58%	40%
2000	5	19	60%	63%
2001				75%

Reduction in Service Center Labor Time Required to Deliver Programs		
Year	Percent Reduction	Target
1998	0%	0%
1999	9%	5%
2000	14%	14%
2001		15%

Reduction in Service Center Customer Paperwork Burden		
Year	Percent Reduction	Target
1998	0%	0%
1999	10%	10%
2000	15%	15%
2001		25%

Customer Travel Time to Service Centers Less Than or Equal to One Hour				
Year	Percent < 1 hr Travel		Target (+/-3%)	
	P	H	P	H
1997	80%	83%	Benchmark	
1998	Not Measured		N/A	N/A
1999	91%	91%	80%	83%
2000	Not	Measured	80%	83%
2001			80%	83%

Legend: P = Producers
H = Housing Borrowers

Analysis of Results: As indicated above, performance goals 1, 2, and 6, have not been measured in FY 2000 for customer satisfaction. The survey conducted by the University of Michigan for GSA included FSA and NRCS but not Rural Development. The results are not expected to be released until mid-April or May 2001. Performance Goals 3, 4, and 5 are tied to the Business Process Reengineering (BPR) activities taking place in support of improving Service Center efficiency and effectiveness. FY 2000 was a year of significant progress in the design of the various BPR projects, exceeding the goal set for the fiscal year. The Service Center agencies are using the infrastructure provided by the Service Center Modernization Initiative - Information Technology (SCMI-IT) to reengineer many of their business applications to achieve the strategic objective of reducing labor time and customer paperwork burden in the Service Centers, which accounted for the attainment of the FY 2000 targets in those areas. As regards to performance goal/indicator 6, the observed travel time to Service Centers for both producers and housing customers have not been measured in FY 2000 but is projected to achieve estimated target in FY 2001 when the annual survey resumes.

Description of Actions and Schedule: Performance measures associated with goal 2 have been met with the exception of 1, 2, and 6.

Current Fiscal Year Performance: SCI has set the foundation in FY 1999 which proceeded into FY 2000 and 2001 in accordance with its Modernization Plan. FY 2000 results listed below indicate that as business applications get fielded and CCE network equipment is deployed, the targets for FY 2001 should easily be met. SCMI plans to reengineer processes began in FY 1998 and will be conducted over the next several years to assess and measure benefits associated with prototype applications that support reengineered business processes. Nationwide deployment of BPR projects began in FY 2000 and will continue as national deployment recommendations are approved. The reengineering process has provided valuable insight and information for agency decisions on the common computing environment, training and cultural change requirement, as well as enterprise data management.

Increase percentage of customers satisfied with program delivery.

Although we have achieved actual performance goal of 91% satisfaction with program delivery for producers and 92% for housing in FY 1999, no data is available for FY 2000 as the customer satisfaction survey was not conducted.

Increase percentage of customers satisfied with service quality. Although we have achieved a performance goal of 92% for producers and 88% for housing in FY 1999, there is no data available for FY 2000 as the customer satisfaction survey was not conducted..

Percentage of Service Center business processes reengineered. The 60% attainment during FY 2000 in this area has nearly met its 63% target and represents a significant effort in the BPR development area. for this fiscal year. Now that the design phase is moving towards deployment of business process reengineering/improvement projects, and agencies are shifting to web-based applications and responding to Freedom to E-file legislation, the service center modernization initiative combined with information technology is moving to acquire and deploy network and application servers needed to support GIS e-business and other activities. Congressional appropriations of special CCE funding to the OCIO along with Agency funds will now be available to support the rollout of these new tools..

Percentage reduction in Service Center labor time required to deliver programs. Benefits of initial pilot testing of five BPR projects were evident within the pilot sites conducting the testing during FY 1999.that continued to FY 2000. As Business Case Team members made comparisons of labor times prior to the initiation of the pilot testing with the piloted process in place, labor time savings were noted sufficient to meet the targeted goal of 14%.

Percentage reduction in paperwork burden. The initial benefits of limited pilot testing were sufficient to meet the FY 2000 objective of a 15% reduction in paperwork burden. In some instances, the reductions have been dramatic, but limited to the pilot testing sites and thus have had a small, but measurable effect nationwide.

Percentage reduction in customer time spent travelling to Service Centers. Producer customers who traveled an hour or less to service centers in 1997 (80%) compared to 1999 (91%) is a statistically significant improvement, as is the 8% difference for housing customers who traveled an hour or less to service centers in 1997 (83%) compared to (91%) in 1999. Although no Customer Satisfaction Survey was conducted in FY 2000, it is estimated that further reduction in customer time spent traveling to Service Centers will continue to improve when the survey resumes in FY 2001.

Program Evaluations: Internal evaluations are continuous through the schedule contained in the Service Center Modernization Plan. An annual customer survey is expected to continue to evaluate satisfaction with Service Center performance. Ongoing performance updates will be provided by the team leaders to the GPRA team in monitoring the achievement rates of each performance goal and through regular program management reviews. Each element of the customer service and BPR initiatives receive close scrutiny to ensure schedules are on track, or where adjustments are necessary, they are coordinated for effects across the entire project. Funding expenditures are closely monitored, as are the transfers of dollars from the partner agencies to keep progress on track.

Goal 2: Deploy a shared information technology system for USDA offices that will enable reengineered business processes that improve customer service, and reduce program delivery costs and customer burden.

Objective: By the end of FY 2000, provide local and wide area networking infrastructure and voice communication capabilities for 97% of Service Centers and 49% of collocated State Offices.

Objective: By the end of FY 2002, deploy a Common Computing Environment (CCE) that allows for sharing common information, and permits all employees to work from a common desktop computer configuration utilizing standardized data in a shared information environment.

Objective: By the end of FY 2004, acquire critical data themes (orthoimagery, common land unit, and soils) to serve as the foundation for a Service Center Geographic Information System (GIS).

Key Performance Goals

<u>Percentage of certified Service Centers with LAN/WAN/Voice installed.</u>	
Target:	97%
Actual:	97%
<u>Percentage of State Offices with LAN/WAN/Voice installed.</u>	
Target:	49%
Actual:	49%
<u>Percentage of CCE Workstations deployed (CCE Phase I).</u>	
Target:	65%
Actual:	N/A
<u>Percentage of Counties with orthoimagery.</u>	
Target:	67%
Actual:	78%
<u>Percentage of Counties with common land unit.</u>	
Target:	12%
Actual:	0.6%
<u>Percentage of Counties with soils data.</u>	
Target:	32%
Actual:	32%

2000 Data: Information regarding the progress made in attaining the above performance goals was provided by individual project management areas as of the date indicated, and is considered to be extremely reliable as it reflects an actual count of activities.

Certified Service Centers with LAN/WAN/Voice Installed				
Year	Number LAN/WAN/Voice Installed	Number of Certified Service Centers	Percent	Target
1997	102	267	4 %	4 %
1998	1914	267	75 %	70 %
1999	2449	267	95 %	100 %
2000	2531	N/A		100 %
2001				100 %

State Offices with LAN/WAN/Voice Installed				
Year	Number LAN/WAN/Voice installed	Number of State Offices	Percent	Target
1998	18	71	25%	20%
1999	35	71	49%	90%
2000	10	71	14%	90%
2001				90%

CCE Workstations Deployed (CCE Phase I)				
Year	Number Deployed	Total	Percent	Target
1998	0	38,660	0%	0%
1999	16,485	38,660	43%	65%
2000	N/A	N/A		86%
2001				100%

Counties with Orthoimagery				
Year	Number with Orthoimagery	Total Counties	Percent	Target
1997	TBD	3,140	TBD	10%
1998	TBD	3,140	TBD	35%
1999	1,600	3,140	51%	51%
2000	2,450	3,140	78%	67%
2001				83%
2002				96%
2003				100%

Counties with Common Land Unit				
Year	Number with Common Land Unit	Total Counties	Percent	Target
1998	2	3,140	0.1%	0.3%
1999	21	3,140	0.7%	3%
2000	200	3,140	0.6%	12%
2001				41%
2002				60%
2003				78%
2004				100%

NATIONAL APPEALS DIVISION

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The National Appeals Division (NAD) of the U.S. Department of Agriculture was established by the Secretary of Agriculture on October 20, 1994, by Secretary's memorandum 1010-1, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (P. L. 103-354, §271et seq., October 13, 1994). The Act consolidated the appellate functions and staffs of several USDA agencies to provide for independent hearings and reviews of adverse decisions.

NAD is responsible for all administrative appeals arising from program decisions of specified USDA agencies. NAD maintains its headquarters office in Alexandria, Virginia, and administers its appeals system through three regional offices located in Memphis, Tennessee; Indianapolis, Indiana; and Lakewood, Colorado. Hearing Officers are dispersed geographically throughout the nation and operate out of leased office space or home offices. This plan accounts for the accumulated performance data, GPRA knowledge and experience, and organizational changes of the past few years.

NAD has a single mission -- to conduct evidentiary administrative appeal hearings and reviews arising from program operations of assigned agencies.

More information about the National Appeals Division can be found on NAD's Web site <http://www.nad.usda.gov>

The following table provides summary information on NAD's achievement of FY 2000 Performance Goals.

NAD PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	Performance		
		FY 1999 Actual	FY 2000 Target	FY 2000 Actual
Goal 1: To conduct timely hearings and issue timely and well reasoned determinations which correctly interpret applicable regulations.	Conduct hearings within mandated time frame. (45 calendar days)	100%	100%	100%
	Issue appeal determinations within statutory and regulatory time frames. (30 calendar days)	75%	77%	77%
	Issue review determinations in accordance with mandated time frames	45%	45%	72%
MI 1: Employ a well- trained staff; treat employees and customers fairly, with dignity and respect.	Increase percent of employees who enroll in and complete at least one NAD/AmeriSchool developed web-based training course via the internet.	N/A	25%	0%
	Reduce the number of substantiated EEO complaints filed by employees.	3	2	0
	Increase the percent of customers who report they were treated fairly and with respect by Hearing Officers.	65%	66%	66%

Goal 1: Conduct timely hearings and issue timely and well-reasoned determinations, which correctly interpret applicable regulations.

Objective: By 2002, meet the statutorily mandated time frames for conducting appeal hearings, issuing appeal hearing and review determinations, and increase percent of hearing officer determinations upheld on review by 5%.

Key Performance Goals

<u>Conduct hearings within mandated time frame of 45 calendar days.</u>	
Target:	100%
Actual:	100%
<u>Issue appeal determinations within statutory and regulatory time frames.</u>	
Target:	77%
Actual:	77%
<u>Issue review determinations in accordance with mandated time frames.</u>	
Target:	45%
Actual:	72%

Rate of Hearings Conducted with Mandated Time Frame

Year	Total Hearings	Total On-Time	Total Waived	Total	Rate	Target
1998	1541	853	343	1196	77%	77%
1999	1186	747	439	1186	100%	100%
2000	1590	1146	344	1590	100%	100%

Rate of Appeals Determinations Issued within Time Frame

Year	Total Appeal Determinations	Total On-time	Total Extended	Total	Rate	Target
1998	1041	726	2	728	70%	70%
1999	985	739	1	740	75%	75%
2000	1590	1224	0	1224	77%	77%

Rate of Review Determinations Issued within Time Frame

Year	Total Review Determinations	Total On-time	Total Extended	Total	Rate	Target
1998	677	242	12	254	37%	37%
1999	585	237	19	256	45%	45%
2000	803	558	20	578	72%	45%

2000 Data: The results above are based upon data input into NAD's management information system by NAD administrative staff, Hearing officers, and Review Officers. Although the system demonstrates improvements since the 1999 Performance Report, consistency of data input from Regional Offices, training of NAD employees in the definitions of data-gathering, and database project management still challenge tracking system reliability. NAD has contracted for an information technology and management study, which will analyze and recommend final programming modifications to the present information systems. NAD expects remaining database challenges to be resolved this year.

Analysis of Results: NAD exceeded one performance goal (Review Determinations) and met two performance goals (Hearings Conducted and Appeal Determinations). Continued achievement of the performance goals supports NAD's priority to provide effective customer service and efficient program delivery. Although statutorily mandated time frames can be waived, NAD's goal is to conduct timely hearings and issue timely determinations in a manner that increases program and administrative efficiency and decreases the cost of operations. These goals support NAD's strategic goal of conducting timely hearings and issuing timely and well-reasoned determinations.

Federal court rulings, which apply to NAD proceedings, affect the need to continue to expand training initiatives and secure additional resources. The severity and frequency of natural disasters and market triggered programs affect the caseload and may affect "on-time" performance targets.

Current Fiscal Year Performance: FY 2000 performance for NAD has been consistent and predictable, due in part to the relative stability of the farms programs. Although NAD expects a high degree of stability to continue through 2001, potential new programs, initiated by the new administration, may affect measures in out-years. Preliminary data for FY 2001 reflects that NAD should be able to achieve future performance measure targets.

NAD continues to integrate customer service data, performance data, and periodic performance reviews into its overall performance measurement system.

Program Evaluations: None conducted during FY 2000.

Management Initiative 1: Employ a well-trained staff; treat employees and customers fairly, with dignity and respect.

Objective: By 2003 ensure that all NAD Hearing Officers complete web-based training, increasing by 25% per year. Increase by 3% per year, customer perceptions of fair treatment by NAD.

Key Performance Goals:

Increase percent of employees who enroll in and complete at least one NAD/Amerischool developed web-based training course.

Target: 25%

Actual: 0%

Reduce the number of substantiated EEO complaints filed by employees.

Target: 2

Actual: 0

Increase the percent of customers who report they were treated fairly and with respect by Hearing Officers.

Target: 66%

Actual: 66%

Yearly Rates of Employees for MI1:

<i>Year</i>	Web-based Training		Substantiated EEO Complaints		Customers Report Fair Treatment	
	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>
1998 (Actual)	N/a	N/a	N/a	3	N/a	N/a
1999 (Actual)	N/a	N/a	N/a	3	N/a	65%
2000	25%	0%	2	0	66%	66%

2000 Data: This is the first reported year for MI1. Data from web-based training will come from system administration tools designed to track enrollment and progress of students. Data reported on fair treatment of customers comes from an annual survey designed to solicit feedback from appellants. This survey focuses on general issues of treatment, timeliness, courtesy, etc., rather than satisfaction with appeal decisions. EEO numbers reflect complaints filed and substantiated.

Analysis of Results: This report reflects the first measurement reporting for MI1. NAD met or exceeded the performance measures of MI1. Web-based training currently has not been funded and implemented. The measures in MI1 reflect NAD's strong commitment to the "human-based" aspects of providing timely and well-reasoned decisions to NAD customers. The web training envisioned has not been implemented. A current information technology study will analyze NAD's hardware and software requirements needed to support web training throughout the field. In order to ensure employees remain trained, NAD held a 5-day training conference in April. Much of that conference delivered training to hearing officers on a variety of issues relevant to the proper conduct and reporting of hearings. Among those topics emphasized were writing skills, hearing reports, and the organization and proper conduct of hearings. NAD will continue to deliver training via alternative formats until web training becomes implemented.

Current Fiscal Year Performance: NAD continues to integrate the new measures in MI1 into organizational performance systems. With an improved funding climate, NAD develops the technical scope of work for the web-based training. The annual customer survey continues to be refined.

Program Evaluation: None conducted during FY 2000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The Office of Budget and Program Analysis (OBPA) was established in June 1981. OBPA's predecessor organization was established on July 8, 1922, by Secretary's Memorandum No. 389, under the provisions of the Budget and Accounting Act of 1921, which designated that a Budget Officer was to have charge of the preparation of estimates and other appropriations for the Department. The agency's current major activities consist of coordinating the preparation of the Department's budget estimates, legislative reports and regulations as well as selected program analyses. OBPA is one of several Department level offices that provide centralized leadership, coordination and support for the various administrative and policy functions of the Department, by assisting program agencies in their efforts to improve service to all USDA customers.

The mission of OBPA is to provide analyses and information to the Office of the Secretary and other policy officials to support informed decisionmaking regarding the Department's programs and policies, budget, legislative, and regulatory actions.

More information regarding OBPA's programs can be found in the OBPA Strategic Plan, the OBPA Performance Plan, and the OBPA website, www.usda.gov/agency/obpa. Only federal employees were involved in the preparation of this report. The following table provides summary information of OBPA's achievement of FY 2000 Performance Goals.

OBPA PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999 Actual	FY 2000 Performance	
			Target	Actual
Goal 1: Assist the Office of the Secretary and other policy officials in decisionmaking and policy implementation by providing objective information and analyses regarding the Department's programs and policies.	Provide information and analyses that is valuable and useful to decisionmakers: Agency/mission area documents are analyzed for accuracy and consistency with current policy. Briefing materials, decision and other evaluation memoranda are prepared to advise the Office of the Secretary about issues and alternatives to support informed decision making.	Yes	Yes	Yes
Goal 2: Ensure the Department's Budget is consistent with policy decisions and that resources are allocated to agencies consistent with priorities and applicable laws	The USDA budget and its components are supported by sound justifications, consistent with policy direction, and submitted with the President's Budget:			
	Agency appeals are coordinated and communicated to Departmental policy officials and OMB regarding passbacks.	Yes	Yes	Yes
	Accurate Budget Summary documents coordinated with OMB and USDA policy officials, are produced to coincide with the submission of the President's Budget.	Yes	Yes	Yes
	Funding adjustments including reprogramming and interchanges, are coordinated with OMB and forwarded to USDA policy officials with a complete analysis of implications.	Yes	Yes	Yes
	Funding allocations and transcripts are reviewed for accuracy and completeness.	Yes	Yes	Yes

Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999 Actual	FY 2000 Performance	
			Target	Actual
	Due to the production of complete and concise explanatory notes, USDA programs and their funding are better understood by Department officials and Congressional staff, improving decisionmaking regarding USDA programs:			
	Accurate Explanatory Notes are prepared, coordinated with OMB, and submitted to Congress in support of the President's Budget.	Yes	Yes	Yes
	Congressional action on USDA's Budget is monitored.	Yes	Yes	Yes
	As a result of OBPA monitoring of staff years, Departmental officials can make more informed staffing decisions to best manage programs and the delivery of services:			
	Agency and Departmental use of staff years is monitored and analyzed.	Yes	Yes	Yes
Goal 3: Ensure the Department's legislative proposals and regulatory actions are analytically adequate and consistent with Departmental and Administrative policy.	Development of legislative reports and proposals supported by adequate analyses and consistent with Departmental policy.	Yes	Yes	Yes
	Development of regulations supported by adequate analyses and consistent with Administration and Departmental policy.	Yes	Yes	Yes
	The Annual Regulatory Plan and Semi-annual Regulatory Agenda: updates are coordinated with USDA agencies to ensure it can be completed and submitted in a timely manner, and that new entries have policy clearance.	Yes	Yes	Yes
Management Initiative 1: Build a more productive and diverse workforce	Maintain or increase the percent of all employees who receive training or other professional development.	44% ^a	46%	49% ^b
	Ensure employees are treated with dignity and respect and provided equal employment opportunities: Number of EEO and discrimination complaints filed.	0	0	1 ^c

^aAll employees received Civil Rights training on sexual harassment; GS-13 to GS-15s received ethics training.

^bAll OBPA employees received EEO and Cultural Diversity training; GS-13 to GS-15s received Ethics training.

^cThis performance indicator has recently been revised to reflect the number of EEO and discrimination complaints substantiated; the current complaint filed is still under review.

Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999 Actual	FY 2000 Performance	
			Target	Actual
	Increase or maintain the percentage of female and minority OBPA employees at all grade levels to ensure a workforce that reflects the general population:			
	Percentage of Females.	51%	51%	49%
	Percent of Black/Hispanic/Asian.	30%	30%	33%

Goal 1: Assist the Office of the Secretary and other policy officials in decisionmaking and policy implementation by providing objective information and analyses regarding the Department's programs and policies.

Objective: Conduct policy and program analyses, and other reviews that provide objective and analytically sound information.

Provide information and analyses that is valuable and useful to decision makers.

Agency/mission area documents are analyzed for accuracy and consistency with current policy. Briefing materials, decision and other evaluation memoranda are prepared to advise the Office of the Secretary about issues and alternatives to support informed decision making

Target: Yes
Actual: Yes

2000 Data: This information is based on actual achievements in meeting prescribed deadlines and suspense dates as set forth by the Office of the Secretary and the Office of the Executive Secretariat, and on feedback from policy officials on analytical information provided by OBPA.

Analysis of Results: OBPA met all of its targets under Goal 1. The achievements annotated above facilitated informed decision making by the Secretary and other senior policy officials. Specific efforts included:

Significant Regulations and High Priority Issues. OBPA worked with policy officials, the Office of the Management and Budget, and agency staff to complete complex scientific and economic analyses of proposed regulations that have significant benefits and costs to the economy or the environment. The wide range of issues covered included biotechnology, food safety, invasive species, animal health, plant protection, food and nutrition, crop insurance, commodity programs, rural development, and conservation. OBPA also worked in cooperation with other Federal departments and agencies on several important crosscutting documents. OBPA assisted with coordination and development of joint program justifications on food safety, implementation of the Food Quality Protection Act (FQPA), anti-bioterrorism activities, and the Biobased Products and Bioenergy Initiative.

Government Performance and Results Act (GPRA). OBPA worked with the Office of the Chief Financial Officer on the implementation of GPRA in the Department. OBPA assisted in the review of individual agency performance plans and reports, as well as the Department-wide and agency Strategic Plans, prior to their submission to OMB and the Congress.

Current Fiscal Year Performance: OBPA will continue to monitor and evaluate data submitted by agencies for accuracy, reliability and conformity to current assumptions, policies and applicable laws. OBPA expects to meet all of the targets again in FY 2001.

Program Evaluations: None.

Goal 2: Ensure the Department's Budget is consistent with policy decisions and that resources are allocated to agencies consistent with priorities and applicable laws.

Objective: Coordinate the preparation and presentation of a Departmentwide budget and monitor the allocation of resources to the agencies.

The USDA budget and its components are supported by sound justifications, consistent with policy direction, and submitted with the President's Budget.

Agency appeals are coordinated and communicated to Departmental policy officials and OMB regarding passbacks.

Target: Yes

Actual: Yes

Accurate Budget Summary documents coordinated with OMB and USDA policy officials, are produced to coincide with the submission of the President's Budget.

Target: Yes

Actual: Yes

Funding adjustments including reprogramming and interchanges, are coordinated with OMB and forwarded to USDA policy officials with a complete analysis of implications.

Target: Yes

Actual: Yes

Funding allocations and transcripts are reviewed for accuracy and completeness.

Target: Yes

Actual: Yes

Due to the production of complete and concise explanatory notes, USDA programs and their funding are better understood by Department officials and Congressional staff, improving decisionmaking regarding USDA programs.

Accurate Explanatory Notes are prepared, coordinated with OMB, and submitted to Congress in support of the President's Budget.

Target: Yes

Actual: Yes

Congressional Action on USDA's budget is monitored.

Target: Yes

Actual: Yes

As a result of OBPA monitoring of staff years, Departmental officials can make more informed staffing decisions to best manage programs and the delivery of services.

Agency and Departmental use of staff years is monitored and analyzed.

Target: Yes

Actual: Yes

2000 Data: This information is based on actual achievements in meeting prescribed deadlines. Accomplishments were based on OBPA's work in developing, presenting, and monitoring the USDA Budget. All publications and supporting documentation related to the President's Budget were released on schedule.

Analysis of Results: OBPA met all targeted performance goals based upon feedback from the Secretary, senior policy officials, Congressional staffs, OMB, Treasury, and other customers and clients. However, OBPA plays a much larger role in the budget process than just producing these outputs and ensuring they are complete, accurate, and consistent with Departmental and Administration policy. The performance goals attempt to capture OBPA's role in ensuring the budget documents contain the information and analyses needed to support informed decisionmaking throughout the budget process. Specific efforts included:

Press Briefings. OBPA prepared and presented a series of technical, non-policy budget briefings for Congressional staff, the news media, special interest groups, and the general public when the Administration issued its fiscal year 2001 budget proposals. These briefings were attended by over 100 Congressional staff and members of the media.

Budget Summary. OBPA compiled various policy, program and financial data and developed the fiscal year 2001 Department Budget Summary which summarizes and describes the budget for the Department. Approximately 1,800 copies of the document were broadly disseminated to Congressional Committees, the media, State governments, farm groups, and others interested in USDA programs. OBPA also made the fiscal year 2001 Budget Summary available through the Internet at www.usda.gov/agency/obpa.2001BudgetSummary.

Crosscutting Budget Initiatives. OBPA developed budget briefing materials on specific high priority issues that cross agency and mission area lines, such as the Biobased Products and Bioenergy Initiative, the Invasive Species Budget Initiative, and the Biotechnology Related Programs of the Department. In preparing these materials, OBPA worked with agency budget and program staff, policy officials, and other appropriate staff. These presentations were provided to groups such as Congressional staff, representatives of the Executive Office of the President, advisory committees providing advice to the Secretary, and internal working groups charged with coordinating USDA agency involvement in these areas.

Current Fiscal Year Performance: OBPA continues to support these processes in FY 2001.

Program Evaluations: None.

Goal 3: Ensure the Department's legislative proposals and regulatory actions are analytically adequate and consistent with Departmental and Administration policy.

Objective: Provide appropriate oversight and analysis of legislative and regulatory actions.

Development of legislative reports and proposals supported by adequate analyses and consistent with Departmental policy.

Target: Yes
Actual: Yes

Development of regulations supported by adequate analyses and consistent with Administration and Departmental policy.

Target: Yes
Actual: Yes

The Annual Regulatory Plan and Semi-annual Regulatory Agenda: updates are coordinated with USDA agencies to ensure it can be completed and submitted in a timely manner, and that new entries have policy clearance.

Target: Yes
Actual: Yes

2000 Data: The data on legislative proposals, regulations, and workplans are maintained in OBPA's information tracking systems. The systems continue to be a key element in OBPA's efforts to coordinate, monitor, and provide information on the large volume of legislative and regulatory documents received by the Department. However, it is not necessarily the numbers of these activities that measure performance, but rather the value and usefulness to decisionmakers of the information, analyses, and oversight OBPA provides.

Analysis of Results: OBPA met targets in FY 2000 based on feedback from the Secretary, senior policy officials, Congressional staffs, OMB, and other interested groups. Development of regulations, legislative reports, and proposals were supported by adequate analyses and were consistent with Departmental policies. OBPA reviewed and provided input, as appropriate, on all documents submitted. Specific efforts included:

Legislative Reports Tracking System. The Legislative Reports Tracking System continues to be a key element in OBPA's efforts to coordinate, monitor and provide information on the large volume of legislative reports, proposals, bills, and resolutions received by the Department. During fiscal year 2000, OBPA assisted in the preparation of 574 legislative reports. These reports were reviewed to ensure that they were consistent with the program, policy and budgetary objectives of the Administration; based on adequate analysis; and were programatically sound.

Major Legislation. OBPA provided analysis and other assistance during the development and passage of emergency relief for farmers in response to an economic crisis brought about by multiple years of devastatingly low commodity prices and disastrous production losses. This legislation was contained in emergency appropriation acts for both fiscal years 2000 and 2001, and provided several billions of dollars of assistance that contributed to the survival of agricultural producers under economic stress. In addition, OBPA participated in the development of numerous other legislative initiatives, some of which were transmitted to Congress during fiscal year 2000. OBPA also prepared budget impact analyses, issue and background papers, and other documents relating to legislative initiatives, that were used by both the Executive Branch and Congress.

Regulatory Tracking. OBPA was actively involved in the review and clearance of 375 Department regulations including, among others, income and disaster assistance for farmers and ranchers, food safety, crop insurance, and food program regulations. These regulations were reviewed for consistency with USDA statutory, policy and budgetary objectives and to assure conformance with substantive and procedural requirements of law, applicable Executive Orders and other regulations that govern the rule-making process.

Current Fiscal Year Performance: OBPA will continue to monitor and evaluate data submitted by agencies for accuracy, reliability and conformity to current policies and applicable laws.

Program Evaluations: None.

Management Initiative 1: Build a more productive and diverse workforce.

Objective: To overcome the barrier of not being able to recruit well-qualified minority candidates and to retain minority employees after hiring.

Maintain or increase the percent of all employees who receive training or other professional development.

Target: 46%
Actual: 49%

Ensure employees are treated with dignity and respect and provided equal employment opportunities:

Number of EEO and discrimination complaints filed.

Target: 0
Actual: 1

Increase or maintain the percentage of female and minority OBPA employees at all grade levels to ensure a workforce that reflects the general population:

Percentage of Females.

Target: 51%
Actual: 49%

Percent of Black/Hispanic/Asian.

Target: 30%
Actual: 33%

2000 Data: Data are derived from reports from the National Finance Center data base and internal records.

Analysis of Results: In Management Initiative 1, OBPA exceeded its target in professional development and the percentage of Black/Hispanic/Asian employees. However, there was one EEO complaint filed that is still under consideration. Also, the percentage of female employees decreased less than one percent from our fiscal year 1999 female employment level due to three female employee retirements. These slight deviations do not reflect a failure to meet the overall initiative; final determination on the filed EEO complaint will provide a more accurate means of assessing achievement. In other efforts, OBPA implemented and enforced applicable policies, regulations, rules, and memoranda developed as a result of the Civil Rights Action Team Report. OBPA also invested resources for employee training, to include off-site training, and employee development in career advancement programs.

Career ladder vacancy announcements were disseminated to "All Sources" in an effort to attract a diverse pool of applicants for job openings in OBPA.

Current Fiscal Year Performance: OBPA reemphasized the need and importance of EEO training and implemented and embraced on-line training as a mode to ensure that this training was accessible to all employees in the agency.

Program Evaluations: None.

OFFICE OF THE CHIEF ECONOMIST

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The mission of OCE is to advise the Secretary of Agriculture on the economic prospects in agricultural markets and the economic implications of policies, programs and economic events affecting U.S. agriculture and rural communities; to ensure the public has consistent, objective and reliable agricultural forecasts; and to promote effective and efficient rules governing Departmental programs.

OCE consists of the Chief Economist and Immediate Office (IO), the Office of Risk Assessment and Cost-Benefit Analysis (ORACBA), the World Agricultural Outlook Board (WAOB), the Global Change Program Office (GCPO) and the Office of Energy Policy and New Uses (OEPNU). Three major functions are carried out by OCE: (1) economic intelligence, policy, and program coordination, which includes coordinating Departmental global change, energy policy and sustainable development activities; (2) agricultural estimates and projections; and (3) regulatory analysis. These three major functions are reflected in the three goals that comprise the Performance Plan.

More information regarding OCE's responsibilities, activities, and goals can be found in the OCE Strategic and Annual Performance Plans. Only Federal employees were involved in the preparation of this report.

OCE PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999	FY 2000	
		Actual	Target	Actual
Goal 1: Assure the Secretary of Agriculture receives timely, independent and objective economic advice and analysis on critical Departmental program and policy issues.	Economic information produced by OCE is incorporated in the Secretary's decisions, communications, and interactions with other government officials and the public because of its relevance, accuracy, objectivity, and timeliness.			
	Prepare and provide briefings, memoranda, reports, etc. for the Secretary on the economic implications of market developments and key program and policy events.	Yes	Yes	Yes
	Assist in the preparation of speeches for the Secretary.	Yes	Yes	Yes
	Provide economic intelligence for the subcabinet for relevant program areas and prepare analysis for Members of Congress and their staffs, when requested.	Yes	Yes	Yes
	Coordinate USDA activities to (1) foster sustainable development through USDA programs and policies, (2) address effectively agricultural labor issues and regulations, and (3) fulfill Capper-Volstead Act responsibilities.			
	Coordinate USDA assessments of agricultural labor issues and development of relevant regulations that are consistent with the Secretary's objectives.	Yes	Yes	Yes
	Coordinate USDA global climate change activities through OCE's Global Change Program Office to ensure the Department is a source of objective and accurate analytical assessments of the effects of climate change and proposed mitigation strategies.	Yes	Yes	Yes
	Chair the USDA interagency climate change task force to coordinate activities within USDA and ensure appropriate analytical coverage of issues.	Yes	Yes	Yes

Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999	FY 2000	
		Actual	Target	Actual
Goal 1: Assure the Secretary of Agriculture receives timely, independent and objective economic advice and analysis on critical Departmental program and policy issues.	Coordinate global climate change activities with other Federal agencies and effectively interact with the legislative branch and public on climate change issues affecting agriculture and forestry.	Yes	Yes	Yes
	Represent USDA on U.S. delegations to international climate change discussions.	Yes	Yes	Yes
	Chair the USDA Council on Sustainable Development and conduct liaison with the President's Council on Sustainable Development and other Federal agencies on behalf of the Secretary.	Yes	Yes	Yes
		Yes	Yes	Yes
	Chair the Capper-Volstead Act Committee in performing oversight responsibilities for the consideration of the Secretary.	Yes	Yes	Yes
	Coordinate USDA energy activities through OCE's Office of Energy Policy and New Uses to ensure the Department is a source of objective and accurate analytical assessments of the effects of energy policies and strategies.			
	Coordinate energy activities within USDA and ensure appropriate analytical coverage of issues.	Yes	Yes	Yes
	Coordinate energy activities with other Federal agencies.	Yes	Yes	Yes
	Effectively interact with the legislative branch and public on energy issues.	Yes	Yes	Yes
	Provide support to USDA's small farms activities.	Yes	Yes	Yes
Goal 2: Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural markets by coordinating the release of comprehensive, consistent, reliable, timely and objective USDA estimates, forecasts, and projections of commodity supply, demand, and prices.	Provide clients and customers with agricultural estimates and forecasts that are timely, consistent, objective, and reliable.			
	Measure client and customer satisfaction with the accuracy, objectivity, and timeliness of the Department's situation and outlook program by surveying attendees at USDA's outlook forum. (Target indicator level of satisfaction is shown for each year. Rating scale: 1-5.)	4.50	4.10	4.25
	Hold an annual agricultural outlook forum and achieve targeted levels of attendance, which indicates the forum's value to the agricultural sector and consumers. (No. of registered (non-USDA) attendees.)	656	575	750
	Issue the monthly <i>World Agricultural Supply and Demand Estimates (WASDE)</i> report on schedule. (No.)	12	12	12
	Issue the <i>Weekly Weather and Crop Bulletin</i> on schedule (No.)	52	52	52

Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999	FY 2000	
		Actual	Target	Actual
Goal 2: Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural markets by coordinating the release of comprehensive , consistent, reliable, timely and objective USDA estimates, forecasts, and projections of commodity supply, demand, and prices.	Establish a NOAAPORT/AWIPS (National Oceanic and Atmospheric Administration Port Advanced Weather Interactive Processing System) to enhance effective, economic downloading of real-time weather data and products (cumulative totals appear as indicators)	1	2	1
	Decisions and statements of the Secretary of Agriculture have been made more effective by information, intelligence, and projections provided by OCE.			
	No. of post lock-up briefings provided to the Secretary/Secretary's representative.	12	12	12
	No. of weekly briefings on situation and outlook and weather provided to the Secretary and other senior management.	52	52	52
Goal 3: Ensure regulations affecting the public are based on sound, objective and appropriate risk assessments and economic analyses.	Ensure that USDA agencies speak with one voice by publishing consistent data and analyses in Department situation and outlook products.			
	Review and edit the situation and outlook products of other Department agencies prior to their publication's release to the public. (Percent of situation and outlook publications annually reviewed.)	100	100	100
	Risk assessments and cost-benefit analyses prepared for USDA regulations thoroughly and accurately characterize costs, benefits, hazards, risks, and risk mitigation alternatives.			
	No. of regulatory analyses reviewed.	27	40	78
	No. of formal training opportunities scheduled for agencies (including courses, seminars, and workshops).	25	18	35
	Percent of USDA agencies preparing a proposed major rule that were provided support and guidance by ORACBA in the development of risk assessment methods.	100	100	100
	Performance of the recommended regulatory alternative was improved as a result of the risk assessment or cost-benefit analysis for economically significant and major regulations	Yes	Yes	Yes
	ORACBA educational and training programs are effective in improving the risk analysis capacity of USDA agencies and getting the larger risk community interested in biological and agricultural risk assessment activities.			
	Percent of participants rating ORACBA risk analysis training courses as highly useful.	80	80	95
	Academic and other government agencies request participation, informational seminars, and access to development of courses tailored to their needs.	Yes	Yes	Yes

Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999	FY 2000	
		Actual	Target	Actual
Goal 3: Ensure regulations affecting the public are based on sound, objective and appropriate risk assessments and economic analyses.	Agencies are increasingly using risk analysis methods and approaches for regulatory and program development as a result of ORACBA initiatives.			
	Percent of relevant USDA program and research agencies actively participating with ORACBA in risk assessment work groups.	90	90	90
	Risk-related research and development efforts and collaboration activities are funded or staffed by USDA agencies as a result of OCE guidance.	Yes	Yes	Yes
Initiative 1: Assemble a competent and diverse workforce that works together effectively.	Clients and customers surveyed find OCE services meet their needs.	Yes	Yes	Yes
	Treat all employees fairly and with dignity and respect. Prompt response to address EEO complaints (meets or exceeds guidelines on response requirements).	Yes	Yes	Yes
	Percentage of employees participating in scheduled Department EEO training.	100	100	100
Initiative 2: Provide a physical environment that maximizes technical efficiency and ensures security for market sensitive data.	Maintain and improve speed and effectiveness of communications within OCE and to and from clients and customers.			
	Upgrade the LAN (local area network) annually.	Yes	Yes	Yes
	Implement cost-effective technological innovations identified at meetings of the USDA Telecommunications Sub-Council, Enterprise Working Group, Office of Information Management, and other inter-agency groups.	Yes	Yes	Yes
	Upgrade anti-virus software quarterly.	Yes	Yes	Yes
	Conduct annual internal survey to identify equipment requiring replacement or upgrading.	Yes	Yes	Yes
	Ensure that market sensitive data and working files are kept secure No. of confirmed security violations.	0	0	0

Goal 1: Assure the Secretary of Agriculture receives timely, independent and objective economic advice and analysis on critical Departmental program and policy issues.

Objective 1.1: (a) Assure that the Office of the Secretary receives economic intelligence and advice to enable the understanding of market developments and the major economic effects of alternative policies and programs and to facilitate decision making. (b) Work with agencies to develop policies and programs that cut across agencies and to ensure they are consistent with the Secretary's objectives.

Key Performance Goal

Economic information produced by OCE is incorporated in the Secretary's decisions, communications, and interactions with other government officials and the public because of its relevance, accuracy, objectivity, and timeliness.

Prepare and provide briefings, memoranda, reports, etc. for the Secretary on the economic implications of market developments and key program and policy events.

Target: Yes

Actual: Yes

Assist in the preparation of speeches for the Secretary.

Target: Yes

Actual: Yes

Provide economic intelligence for the subcabinet for relevant program areas and prepare analysis for Members of Congress and their staffs, when requested.

Target: Yes

Actual: Yes

2000 Data: This OCE performance goal is qualitative. Given the dynamic nature of markets and changing policies and programs and number of issues of importance to the Secretary, achievement of OCE performance goals cannot be based on a projected number of briefings, memoranda, reports, speech text, etc., that may be provided by OCE. Feedback is based upon the Secretary and Deputy Secretary, with whom the Chief Economist works closely. OCE achievement of this performance goal is likewise based upon feedback from other clients, which include the White House, Congress, USDA, other Federal agencies, farmers, ranchers, agribusiness, and the public. Throughout the year, the Chief Economist and IO staff appeared before the Congress and participated in forums to meet with representatives of the agricultural community and general public. Each occasion provided feedback on the economic soundness, usefulness, and timeliness of OCE's preparation of testimony, speeches, briefings, memoranda, reports, and other intelligence information by end-users for information, policymaking, and business purposes.

Analysis of Results: This performance goal was met. The range of information products and services developed to accomplish this OCE performance goal is indicated below:

- *Briefings, memoranda, and reports for the Secretary, Congress, and other policymakers:* OCE provided economic intelligence and analysis on the economic well-being of U.S. agriculture resulting from low farm prices, adverse weather, weak exports, and ad hoc legislation which provided supplemental disaster and economic loss assistance to farmers, which the Secretary incorporated into his decision making and communications to the President, Congress and public. The Chief Economist also served on the White House Task Force on MTBE and helped prepare a report released by the White House on the effects of eliminating MTBE and helped prepare the administration's legislative proposal. The Chief Economist also served as the Secretary's liaison to the Commission on 21st Century Production Agriculture and OCE helped the Commission prepare their report to the President and Congress.
- *Economic input into the Secretary's speeches:* OCE assisted in the preparation of text for the Secretary for prepared speeches which addressed the economic implications of events, issues, and developments affecting agriculture. At press conferences held at the Department and while on travel, the Secretary consistently drew on OCE economic expertise from the Chief Economist, who frequently accompanied the Secretary to assist at press conferences and meetings with the public.
- *Economic intelligence for the subcabinet and analysis for Members of Congress and others:* The Chief Economist represented the Department by testifying before Congress five times on dairy policy, the state of the farm economy, carbon cycle research, elimination of the additive MTBE in gasoline, and energy prices and agriculture. OCE assisted the Assistant Secretary for Marketing and Regulation in developing options for dealing with concentration in livestock markets. OCE assisted the Assistant Secretary for Farm and Foreign Agricultural

Services by developing the farm income support safety net proposals for the President's Budget for FY 2001 and briefing the President's Chief of Staff on the proposals. The Chief Economist became a member of the Board of Directors of the Federal Crop Insurance Corporation and OCE assisted USDA's Risk Management Agency in assessing the effects of crop insurance reform legislation enacted in June 2000.

Current Fiscal Year Performance: Feedback provided through the first quarter of FY 2001 indicates that OCE will meet current performance targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process. In addition, to feedback from the Secretary, subcabinet, White House, and Congress, the Chief Economist drew on feedback from an internal evaluation of the commodity forecasting program. The evaluation included assessments of performance completed by all the participants in the interagency commodity estimates committees. The findings were presented to all staff in a workshop held in December 2000.

Key Performance Goal

Coordinate USDA activities to (1) foster sustainable development through USDA programs and policies, (2) address effectively agricultural labor issues and regulations, and (3) fulfill Capper-Volstead Act responsibilities.

Coordinate USDA assessments of agricultural labor issues and development of relevant regulations that are consistent with the Secretary's objectives.

Target: Yes

Actual: Yes

Coordinate USDA global climate change activities through OCE's Global Change Program Office to ensure the Department is a source of objective and accurate analytical assessments of the effects of climate change and proposed mitigation strategies.

Target: Yes

Actual: Yes

Chair the USDA interagency climate change task force to coordinate activities within USDA and ensure appropriate analytical coverage of issues.

Target: Yes

Actual: Yes

Coordinate global climate change activities with other Federal agencies and effectively interact with the legislative branch and public on climate change issues affecting agriculture and forestry.

Target: Yes

Actual: Yes

Represent USDA on U.S. delegations to international climate change discussions.

Target: Yes

Actual: Yes

Chair the USDA Council on Sustainable Development and conduct liaison with the President's Council on Sustainable Development and other Federal agencies on behalf of the Secretary.

Target: Yes

Actual: Yes

Chair the Capper-Volstead Act Committee in performing oversight responsibilities for the consideration of the Secretary.

Target: Yes

Actual: Yes

2000 Data: This OCE performance goal is qualitative (as indicated in the data section under the previous performance goal). Feedback is based upon the Secretary, Deputy Secretary, White House, Congress, USDA, other Federal agencies, farmers, ranchers, agribusiness, and the public.

Analysis of Results: OCE met this performance goal. The range of information products and services developed to accomplish this OCE performance goal is indicated below:

- *Coordination of climate change activities:* OCE coordinated the development of objective and accurate assessments of climate change by (1) chairing the USDA interagency climate change task force; (2) chairing the Interagency Working Group on Carbon Sequestration which developed the U.S. government position on carbon

emissions and sequestration from agricultural and forestry which was submitted to the UN Framework Convention on Climate Change (UNFCCC) in August 2000; (3) conducting global change related briefings for Congressional staff and starting a Climate Change Dialogue with farm groups that met for 6 days during FY 2000, and holding meetings on global change issues for agricultural, forestry, and environmental groups; (4) managing USDA's multiple responsibilities to the U.S. National Assessment on Climate Change and Variability; (5) representing USDA at international meetings and negotiating sessions of the UNFCCC on Canada, Poland, Australia, Germany, France and Italy; and, (6) coordinating development of significant increases in USDA's fiscal year 2000 proposed research budget for global change.

- *Other coordination responsibilities:* OCE chaired meetings of the Capper-Volstead Act Committee and the USDA Council on Sustainable Development. The Sustainable Development Council provided support to the White House initiative on liveable communities by addressing land use issues such as sprawl. OCE also coordinated USDA participation in activities of the UN Commission on Sustainable Development which included organizing two meetings with non-governmental organizations and negotiating text at the UNCSD meetings. OCE also represented USDA in two meetings of the Convention on Biological Diversity in Kenya and Canada.

Current Fiscal Year Performance: Feedback provided through the first quarter of FY 2000 indicates that OCE will meet current performance targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process. In addition, the Under Secretary of State for Oceans and the Environment, the U.S. government's lead climate change negotiator, wrote to the Secretary noting the outstanding contributions of the climate change work during FY 2000. Seven farm organizations also wrote to the Secretary complimenting the climate change work of OCE.

Key Performance Goal

Coordinate USDA energy activities through OCE's Office of Energy Policy and New Uses to ensure the Department is a source of objective and accurate analytical assessments of the effects of energy policies and strategies.

Coordinate energy activities within USDA and ensure appropriate analytical coverage of issues.

Target: Yes

Actual: Yes

Coordinate energy activities with other Federal agencies.

Target: Yes

Actual: Yes

Effectively interact with the legislative branch and public on energy issues.

Target: Yes

Actual: Yes

2000 Data: This OCE performance goal is qualitative (as indicated in the data section under the previous performance goal). Feedback is based upon the Secretary, Deputy Secretary, the White House, Congress, USDA, other Federal agencies, farmers, ranchers, agribusiness, and the public.

Analysis of Results: OCE met this performance goal. The range of information products and services developed to accomplish this OCE performance goal is indicated below:

- *Coordinate USDA energy activities and interact with other Federal agencies, the legislative branch and public:* OCE provided input to Congress to help develop The Biomass Research and Development Act of 2000 and then participate in its implementation by playing a key role in developing the U.S. government's strategic plan to implement the act; OCE conducted analytical evaluations for Senators Harkin and Kerry on proposed renewable fuel standards; OCE worked with Iowa State University to develop a research plan for energy issues; OCE produced a report on the cost of producing ethanol in the United States; and OCE worked with the Department of Energy and the Environmental Protection Agency (EPA) on EPA's phase II reformulated gasoline implementation and the design of low sulfur diesel Tier II rule making.

Current Fiscal Year Performance: Feedback provided through the first quarter of FY 2000 indicates that OCE will meet current performance targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Key Performance Goal

Provide support to <u>USDA's Small Farm Action Team</u>
Target: Yes
Actual: Yes

2000 Data: This OCE performance goal is qualitative (as indicated in the data section under the previous performance goal). Feedback is based upon the Secretary, Deputy Secretary, White House, Congress, USDA, other Federal agencies, farmers, ranchers, and agribusiness.

Analysis of Results: OCE met this performance goal. The range of information products and services developed to accomplish this OCE performance goal is indicated below:

- *Support for USDA's Small Farm Action Team:* OCE's Director of Sustainable Development attended small farms task force meetings, advised the Deputy Secretary on small farms issues, met with the USDA small farms advisory committee and responded to requests of data and analysis from the director of the small farms office.

Current Fiscal Year Performance: Feedback provided through the first quarter of FY 2000 indicates that IO will meet current performance targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Goal 2: Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural markets by coordinating the release of comprehensive, consistent, reliable, timely and objective USDA estimates, forecasts, and projections of commodity supply, demand, and prices.

Objective 2.1: (a) Meet the information needs of customers and clients by serving as USDA's focal point for gathering information and analyzing economic developments affecting agriculture; coordinating the preparation and release of estimates and forecasts; and guaranteeing consistency in situation and outlook publications. (b) Ensure accurate assessments on the impact of weather and other natural phenomena on crops and other agricultural resources by coordinating USDA weather, climate, and remote sensing work. (c) Enhance the ability of OCE staff, customers, and clients to access and share information while safeguarding market sensitive data.

Key Performance Goals

Provide clients and customers with agricultural estimates and forecasts that are timely, consistent, objective, and reliable.

Measure client and customer satisfaction with the accuracy, objectivity, and timeliness of the Department's situation and outlook program by surveying attendees at USDA's outlook forum. (Target indicator level of satisfaction is shown for each year. Rating scale: 1-5.)

Target: 4.10

Actual: 4.25

Hold an annual agricultural outlook forum and achieve targeted levels of attendance, which indicates the forum's value to the agricultural sector and consumers. (No. of registered (non-USDA) attendees.)

Target: 575

Actual: 750

Issue the monthly *World Agricultural Supply and Demand Estimates (WASDE)* report on schedule. (No.)

Target: 12

Actual: 12

Issue the *Weekly Weather and Crop Bulletins* on schedule (No.)

Target: 52

Actual: 52

Establish a NOAAPORT/AWIPS (National Oceanic and Atmospheric Administration Port Advanced Weather Interactive Processing System).

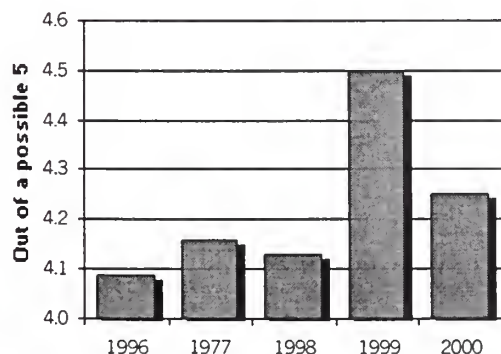
Target: 2

Actual: 1

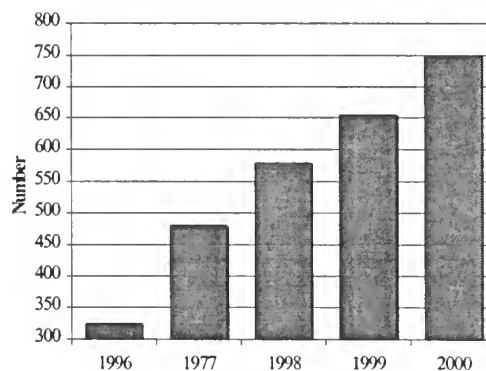
2000 Data: Data citing customers and clients' rated level of satisfaction with the accuracy, objectivity, and timeliness of USDA's situation and outlook program were obtained from a survey of registered attendees at USDA's Agricultural Outlook Forum, held in February 2000. The number of monthly post lock-up briefings and weekly situation and outlook and weather briefings refer to presentations made to the Secretary or designated representative. The number of OCE reviews of situation and outlook products, which includes regularly scheduled publications and special issue products, exceeds 150 items annually. This number fluctuates slightly from year to year and is determined by the publication output of other agencies. OCE reviews all economic outlook information intended for public release. Finally, in a joint project OCE and Forest Service installed a fully operational NOAAPORT/AWIPS data-receiving site in Redding, California. Based on feedback from the Secretary and other clients at briefings, meetings, and agricultural events. Also, the public has provided feedback via the Internet, phone calls, and in October, at an annual Users Group meetings in Chicago on situation and outlook products sponsored by NASS which is attended by approximately 80 private sector analysts.

Analysis of Results: OCE met this performance goal. Results achieved with respect to information products and services developed to accomplish this OCE performance goal are indicated below:

Situation & Outlook Program Ratings Agricultural Outlook Forum Attendance



Non-USDA Attendees



- *Satisfaction with the accuracy, objectivity, and timeliness of the Department's situation and outlook program:* Clients and customers' satisfaction averaged 4.25 on a rating scale which ranged from a low of 1.00 to a high of 5.00. The rating was based on a survey of attendees at the Outlook Forum held in February 2000.
- *Targeted level of attendance at agricultural outlook forum:* Attendance (non-USDA) totaled a record 750, up 15 percent from the previous year. Counting USDA attendees, attendance totaled 1,331, also a record.
- *Issuance of publications:* All publications related to situation and outlook work (the *WASDE* report and *Weekly Weather and Crop Bulletin*) were released on schedule. On-time issuance of the monthly *WASDE* report, released at 8:30 a.m., two hours prior to the opening of the Chicago Board of Trade, enabled the public to have equal and timely access to market-sensitive commodity information.
- *NOAAPORT/AWIPS installation:* WAOB and Forest Service (FS) signed a MOU to give FS access to WAOB's National Oceanic and Atmospheric Administration weather data receiving site in Kansas City. Under a subsidiary agreement, WAOB loaned FS computer hardware and software to replace capabilities being withdrawn by the National Weather Service from the FS Redding, CA fire management operation. The loaned equipment aided FS fire weather operations during the critical summer months. Under a second subsidiary agreement, WAOB partnered with FS to determine the feasibility of using WAOB's Agricultural Weather Interactive Processing System as a cost-efficient platform for FS's antiquated Weather Information Management System. Preliminary indications suggest that both of these projects will significantly improve FS operations while substantially reducing costs to the government. FS agreed to share data from its Remote Automated Weather Station (RAWS) network for inclusion in WAOB's National Agricultural Weather Observing Network initiative.

Descriptions of Actions and Schedules: OCE is preparing an additional NOAAPORT/AWIPS server ready for installation in Stoneville, Mississippi. In a related activity, WAOB worked in partnership with Mississippi State University's Delta Research and Extension Center (DREC), USDA's Natural Resources Conservation Service (NRCS), and the University of Missouri to expand the National Agricultural Weather Observing Network to include more data collection and reporting sites. All counties in the Mississippi Delta region are now equipped to report timely weather observations to the Stoneville, MS data center that is operated by WAOB. A Meteorburst receiving station was constructed in a secured area on DREC property using WAOB, NRCS, and DREC funds. NRCS has equipped 5 of the sites with advanced temperature and soil moisture observation instruments for analytical purposes, using WAOB funds. In addition, in cooperation with WAOB, the University of Missouri has deployed automated weather stations in southeastern Missouri. These sites transmit data to the Stoneville center using Meteorburst technology. The Mississippi and Missouri data are reported in the *Weekly Weather and Crop Bulletin*.

Current Fiscal Year Performance: Preliminary data on current year performance measures, as of March 2000, indicate that OCE will meet all stated targets. With respect to meteorological activities, OCE will continue to publish the *WASDE* report at 8:30 a.m. Eastern Time between the 9th and 12th day of each month to enable simultaneous release of the *WASDE* report with the *Crop Production Report*, issued by the National Agricultural Statistics Service (NASS).

Program Evaluations: WAOB acted to strengthen USDA's commodity forecasting program by implementing recommendations of the Datatrac/Price WaterhouseCoopers *Interagency Commodity Estimates Committee Study*. The study was designed to evaluate and suggest improvements the interagency process used to make supply and demand forecasts. As an initial step, WAOB prepared Secretary Memorandum 1044-9 for the Secretary's signature. This memorandum signed by Secretary Glickman on April 19, 2000 reaffirms the Secretary's support for the Department's commodity situation and outlook program and directs WAOB and relevant agencies to support the ICEC process. WAOB then implemented Memoranda of Understanding (MOUs) with five USDA agencies: the Economic Research Service, Foreign Agricultural Service, Agricultural Marketing Service, Farm Service Agency, and Cooperative State Research, Education, and Extension Service. Each MOU formally spells out WAOB and agency responsibilities that support the Department's commodity situation and outlook program. These agreements are designed to assure that WAOB and the signatory agencies provide the Interagency Commodity Estimates Committees with adequate staff support and expertise required to produce quality analyses. OCE also organized an internal evaluation of the forecasting program that included each person involved in the interagency process evaluating the program. Results were presented to staff at a workshop in December 2000.

Key Performance Goal

Decisions and statements of the Secretary of Agriculture have been made more effective by information, intelligence, and projections provided by OCE.

No. of post lock-up briefings provided to the Secretary/Secretary's representative.

Target: 12

Actual: 12

No. of weekly briefings on situation and outlook and weather provided to the Secretary and other senior management.

Target: 52

Actual: 52

2000 Data: Data reflects the number of scheduled briefings provided to the Secretary and his representatives. Feedback was based upon the Secretary and his representatives who received briefings from situation and outlook meteorological staff.

Analysis of Results: OCE met this performance goal.

- *Scheduled briefings:* Prior to the release of each *WASDE* report, WAOB briefed the Secretary or his designated representative about the scope and magnitude of the revised estimates and forecasts relating to the supply and utilization of grains, oilseeds, cotton, red meat, poultry, eggs, milk and refined sugar.

Current Fiscal Year Performance: Preliminary data on current year performance measures indicate that OCE will meet all stated targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Key Performance Goal

Ensure that USDA agencies speak with one voice by publishing consistent data and analyses in Department situation and outlook products.

Review and edit the situation and outlook products of other Department agencies prior to their publication's release to the public.

Target: 100

Actual: 100

2000 Data: Data reflects the percent of situation and outlook publications reviewed which were submitted to OCE for review. Feedback is based upon the Secretary, USDA, agencies, and the public.

Analysis of Results: OCE met this performance goal.

- *Importance of review process:* OCE's review of other Department economic outlook publications and products ensured that USDA was consistent in its information releases across all agencies with regard to commodity data and analysis.

Current Fiscal Year Performance: Preliminary data on current year performance measures indicate that OCE will meet its stated targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Goal 3: Ensure regulations affecting the public are based on sound, objective and appropriate risk assessments and economic analyses.

Objective 3.1: (a) Review economically significant regulations primarily intended to affect human health, safety or the environment to ensure that they are based on appropriate risk assessments and economic analyses that can serve as a basis for selecting cost-effective management options for hazards managed by USDA. (b) Provide support to conduct risk assessments and cost-benefit analyses by assuring trained and competent analysts are available to complete these analyses. (c) Expand risk assessment research related to agricultural issues.

Key Performance Goal

Risk assessments and cost-benefit analyses prepared for USDA regulations thoroughly and accurately characterize costs, benefits, hazards, risks, and risk mitigation alternatives.

No. of regulatory analyses reviewed. (The target is characterized as an expected value because OCE does not control the number of regulations which it receives for review.)

Target: 40

Actual: 78

No. of formal training opportunities scheduled for agencies (including courses, seminars, and workshops).

Target: 18

Actual: 35

Percent of USDA agencies preparing a proposed major rule that were provided support and guidance for ORACBA in the development of risk assessment method.

Target: 100

Actual: 100

Measure	Year	Actual
Regulatory Analysis Reviewed	1998	50
	1999	27
	2000	78
Formal Training Opportunities Provided	1998	15
	1999	25
	2000	35
Preparing a Proposed Major Rule	1999	100
	2000	100

2000 Data: The totals for regulatory analyses are based upon the number of regulations submitted to OCE for review. Of the 104 regulatory work plans submitted, only 27 required ORACBA review. These constituted 100 percent of the economically significant regulations affecting primarily human health, safety or the environment.

Training opportunities included 10 risk forums with afternoon discussions, 2 introductory risk analysis courses, 1 quantitative risk assessment course, 1 ecological risk assessment course, 1 seminar for Kansas State University, lectures in food safety risk assessment for the World Bank and World Health Organization, and presented economic papers on pathogen reduction at the annual International Conference of Agricultural Economists, risk policy for plant diseases and pests at the Western Economic Association meeting, and food safety in developed and developing countries at the Expo 2000 international workshop on world food supply in Germany.

The 100 percent support of those USDA agencies preparing a proposed major rule is based upon ORACBA's pro-active approach to working with agency staff in reviewing risk assessments in the early developmental stages of the rule.

Analysis of Results: OCE met this performance goal. OCE IO's and ORACBA's strong pro-active approach to working with agency staff in reviewing risk assessments associated with major rules has led to a more rapid review

and approval of regulatory risk assessments, allowing agencies to expend their resources more effectively. This approach and the ability to provide information based upon sound judgment and the best science available have led to increased demands placed upon ORACBA's limited staff. Within USDA, OCE staff was called upon to:

- *Provide expert input and support for a variety of policy issues including:* (1) control of *Listeria monocytogenes* in ready-to-eat meat and poultry products; (2) the risk of foot and mouth disease and import regulations for beef from Brazil; (3) trade in pork and pork products with the European Union where hog cholera is a risk; (4) management of the USDA BSE Risk Analysis project; (5) activities of the USDA Biotechnology Coordinating Committee and the Secretary's Advisory Committee on Agricultural Biotechnology; (6) support for the Agricultural Research Service (ARS) Biotechnology Research Review Work Group; (7) work with the Food and Nutrition Service on nutritional risks; (8) support for Forest Service programs with respect to road management policy and preservation of roadless areas; (9) Animal and Plant Health Inspection Service response to citrus canker and plum pox diseases; (10) collaborating with ARS research scientists on identifying pathogen risks and mitigations in production systems and post-harvest handling systems for fruits and vegetables; and (11) Farm Service Agency regulations on numerous programs created by ad hoc disaster and economic loss assistance programs that resulted in a record high \$32 billion in Commodity Credit Corporation spending in FY 2000.
- *Provide expertise outside USDA to* (1) review risk assessments by other agencies and non government organization risk assessors including mercury exposure and dioxin in foods; (2) serve Environmental Protection Agency drinking water monitoring modeling working group; (3) regulation of plant incorporated protectants; (4) collaborate with foreign scientists from Canada, Australia, Egypt and other countries; (5) participate on the Drought Policy Council; and, (6) continue active membership on the Risk Assessment Consortium for the Food Safety Initiative.
- ORACBA coordinated the risk assessment of beef imports from Brazil, focusing on the risk of foot and mouth disease. ORACBA risk assessment review identified inadequate controls over certain high risk products for which mitigations had not been considered. As a result of ORACBA's review, the proposed rule was modified to address these higher risk materials.

As a result of ORACBA efforts, there has been a significant change in how risk assessment work groups function. Ownership has been passed to the agencies with ORACBA as a partner and advisor.

Current Fiscal Year Performance: Preliminary data on current year performance measures indicate that OCE will meet all stated targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Key Performance Goal

Performance of the recommended regulatory alternative was improved as a result of the risk assessment or cost-benefit analysis for economically significant and major regulations.

Target:	Yes
Actual:	Yes

2000 Data: This qualitative performance measure is based upon feed back from USDA agencies.

Analysis of Results: ORACBA met this performance goal:

- ORACBA acted to ensure that only scientifically-based and economically sound regulatory alternatives were selected to protect human health from foodborne pathogens; ORACBA's risk reviews and economic analysis of costs and benefits led the Department to modify its regulatory proposal to control *Listeria* in ready-to-eat meat and poultry products. Costly labeling requirements were removed from the proposed regulation permitting resources to be focused on more cost-effective mitigations to reduce the risk of *Listeria monocytogenes*.
- ORACBA's risk assessment work identified weaknesses in existing regulations intended to protect the health of

the U.S. livestock sector. In the course of ORACBA's participation in the development of the risk assessment for beef imports from Brazil, ORACBA determined that the regulations intended to protect U.S. livestock from foot and mouth disease were based on a risk assessment that had not evaluated risks from imports of low-value, higher risk beef products. As a result of ORACBA's analysis existing regulations for imports from Argentina were modified to better protect U.S. agriculture and the proposed regulatory alternative for Brazil was improved.

Current Fiscal Year Performance: Preliminary data on current year performance measures indicate that OCE will meet all stated targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Key Performance Goal

ORACBA educational and training programs are effective in improving the risk analysis capacity of USDA agencies and interesting the larger risk community in biological and agricultural risk assessment activities.

Percent of participants rating ORACBA risk analysis training courses as highly useful.

Target: 80

Actual: 95

Academic and other government agencies request participation, informational seminars, and access to development of courses tailored to their needs.

Target: Yes

Actual: Yes

Measure	Year	Actual
Percent of Participants Rating ORACBA Risk Analysis Training Courses as Highly Useful	1998	80
	1999	95
	2000	95
Participation Request to Informal Seminars, and Courses	1999	Yes
	2000	Yes

2000 Data: Percentages are the results of surveys completed by participants in ORACBA's four jointly sponsored courses including two Introduction to Risk Analysis courses jointly sponsored with FDA and the Graduate School, USDA; one Quantitative Risk Assessment Course co-sponsored with the Graduate School, USDA; and one Ecological and Environment Risk Assessment course co-sponsored with the Graduate School, USDA. Academic and other government agency participation was also determined from course surveys.

Analysis of Results: OCE accomplished this performance goal based on survey results. ORACBA has developed training that assures scientists in USDA have an opportunity to improve their understanding and practice of risk assessment. Agencies have continued to seek out ORACBA for assistance tailored to their needs:

- *Educational training and other contributions, which were provided to agencies, often at their request, included the following:* (1) partnering with ARS to serve as postdoctoral training center; (2) partnering with ARS and NRCS regarding risk assessment for conservation activities; (3) providing special risk training for the World Bank and the World Health Organization; (4) coordinating development of risk analysis procedures for interagency use; (5) providing guidance to the USDA Graduate School on curriculum development in risk assessment; and (6) maintaining reference materials on risk assessment.

- *Outreach activities to help other agencies be cognizant of how scientifically-based risk assessments are developed:* ORACBA developed a quarterly newsletter, monthly risk forum seminars, a web site, a joint project for risk assessment archiving with the National Agricultural Library, and a specialized workshops in risk assessment. ORACBA hosted an FDA analyst on detail to provide exposure to the techniques used in USDA risk assessments.

Current Fiscal Year Performance: Preliminary data on current year performance measures indicate that OCE will meet all stated targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Key Performance Goal

Agencies are increasingly using risk analysis methods and approaches for regulatory and program development as a result of ORACBA initiatives.

Percent of relevant USDA program and research agencies actively participating with ORACBA in risk assessment work groups.

Target: 90

Actual: 90

Risk-related research and development efforts and collaboration activities are funded or staffed by USDA agencies as a result of OCE guidance.

Target: Yes

Actual: Yes

Measure	Year	Actual
Percent of Agencies Participating in Risk Assessment Work Groups	1998	80
	1999	90
	2000	90
Risk-related Efforts and Activities Funded or Staffed By USDA Agencies	1999	Yes
	2000	Yes

2000 Data: The percentage was determined from the actual agencies working with ORACBA in risk assessment workgroups.

Analysis of Results: ORACBA accomplished this performance goal which resulted in a significant change in how risk assessment work groups function:

- *Based on agency input:* Ownership has been passed to the agencies with ORACBA as a partner and advisor.
- *Based on agency participation:* The percentage of USDA agencies participating in risk assessment work groups reflects the funding and staff being committed by program and research agencies.

Current Fiscal Year Performance: Preliminary data on current year performance measures indicate that OCE will meet all stated targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Management Initiative 1: Assemble a competent and diverse workforce that works together effectively.

Key Performance Goals

Clients and customers surveyed find OCE services meet their needs.

Target: Yes

Actual: Yes

Treat all employees fairly and with dignity and respect.

Prompt response to address EEO complaints (meets or exceeds guidelines on response requirements).

Target: Yes

Actual: Yes

Percentage of employees participating in scheduled Department EEO training.

Target: 100

Actual: 100

2000 Data: Levels achieved are based upon (1) feedback from the Secretary, (2) a survey of attendees at the February 2000 Outlook Forum, and (3) the absence of EEO/Civil Rights complaints by OCE staff.

Analysis of Results: OCE achieved the two performance goals associated with management initiative 1:

- *Survey results show high quality service being provided:* OCE personnel performance received a 4.25 rating out of a possible 5.00 (see the performance summary table associated with Strategic Goal 2). This was the highest rating achieved by OCE products and services since the survey was initiated.
- *Prompt response to complaints and solid participation in training:* OCE success in the area of EEO, reflected by the absence of EEO complaints by OCE staff against OCE supervisors in FY 2000, followed from its efforts to keep personnel informed and highly motivated through weekly staff meetings at which current accomplishments, ongoing work, administrative activities, and actions are identified and discussed. Also, management encouraged and enabled all personnel to take all components of Civil Rights training in FY 2000.
- *Development of a diverse workforce:* Contributing to OCE success in this area was OCE's efforts to diversify its workforce through contract work and projects with 1890's universities, contracting with minority firms for temporary employees, mentoring and recruiting Washington, D.C. area students, and participating on the USDA Civil Rights Leadership Council. One OCE staff member served as president of the Gay-Lesbian, Bisexual or Transgendered Organization.

Current Fiscal Year Performance: Preliminary data indicate that OCE will meet targeted performance for FY 2000.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Management Initiative 2: Provide a physical environment that maximizes technical efficiency and ensures security for market sensitive data.

Key Performance Goals

Maintain and improve speed and effectiveness of communications within OCE and to and from clients and customers.

Upgrade the LAN (local area network) annually.

Target: Yes

Actual: Yes

Implement cost-effective technological innovations identified at meetings of the USDA Telecommunications Sub-Council, Enterprise Working Group, Office of Information Management, and other inter-agency groups.

Target: Yes

Actual: Yes

Upgrade anti-virus software quarterly.

Target: Yes

Actual: Yes

Conduct annual internal survey to identify equipment requiring replacement or upgrading.

Target: Yes

Actual: Yes

Ensure that market sensitive data and working files are kept secure.

No. of confirmed security violations.

Target: 0

Actual: 0

2000 Data: Levels achieved are based upon (1) information received from the IT staff and OCE management and (2) the absence of security violations as reported to us by the USDA security office.

Analysis of Results: OCE met the performance goals associated with Management Initiative 2. OCE's information technology staff has been responsible for maintaining, upgrading, and securing the OCE LAN:

- *Improvements to OCE's network infrastructure during FY 2000 included:* 1) Installation of new server hardware and software to improve performance. 2) Preventing downtime by frequently updating virus protection software both on servers and PCs. 3) Upgrading Bridge News Service with an up-to-date fault tolerant system. Establishing a single drop point for Bridge wire services within USDA which reduces USDA costs by eliminating telecommunications and linkage fees which would otherwise be charged to FSA, FAS, ERS and WAOB for redundant services. 4) Modifying USDA's Agricultural Outlook Forum home page to permit on-line registration and post-conference feedback.
- *Market sensitive data has been secured by:* Employing authentication procedures, restricting and limiting network access, keeping sensitive data behind firewall, and restricted physical access to network hardware. No security violations were reported or observed.
- *Y2K compliance was achieved for all OCE hardware and software.*

Current Fiscal Year Performance: OCE is on track to meet its FY 2001 performance targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

